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I.  
**Executive Summary**

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## **I. EXECUTIVE SUMMARY**

Section 303 of the 1999-01 Transportation Budget provided \$100,000 to the Department of General Administration to perform an evaluation of the cost-effectiveness of a proposed consolidated (now termed co-located) Transportation Agencies facility. The study involves the needs represented by mostly leased office space currently held by the following agencies in Thurston County:

- Department of Transportation
- Washington State Patrol
- Department of Licensing
- Transportation Improvement Board
- Washington Traffic Safety Commission
- County Road Administration Board

The purpose of the study is to estimate the costs and benefits of building a co-located office facility at one of three potential locations together with a comparison of alternative procurement methods for the needed new facility. Only sites owned by the state were considered, in order to avoid land acquisition costs:

- Tumwater Satellite Campus - Adjacent to Labor & Industries
- Capitol Campus - East of existing Transportation Building
- Lacey Satellite Campus - Adjacent to Ecology

### **Staffing and Space Needs**

The candidate agencies presently have 1,320 employees who are accommodated in approximately 278,000 square feet of mostly leased space in 22 facilities dispersed throughout Thurston County. Agency estimates project employment levels of 1,475 in 2010 and 1,606 in 2020. In order to meet the projected space requirements for 2020, a proposed new Transportation Agencies Building has been sized at 374,000 gross square feet. Sections III and IV contain detailed analysis of staffing, space and facility needs of the proposed facility.

### **State Office Building Definition**

To facilitate a uniform definition of a large state office building and its normative cost, at least for the purpose of this study effort, NBBJ hosted a work session with the state and real estate interests in the Olympia area who now lease space to the state. The goal was to define a non-monumental, efficient, flexible office building that will meet the needs of the state today and into the 21st century.

Out of this work session came a list of standards and precepts of what state office buildings should be, which in turn became the basis for estimating construction costs for the proposed new Transportation Agencies Building. Section V provides details on the standards and precepts developed for the proposed new building.

### **Candidate Sites**

The candidate sites are on the State's major Thurston County campuses in Olympia, Tumwater and Lacey as indicated in Figure I-1. Each of the sites will accommodate the proposed Transportation Agencies facility. Section VI describes the potentials and constraints of each candidate site, including the preferred development area for the proposed new facility on each campus.

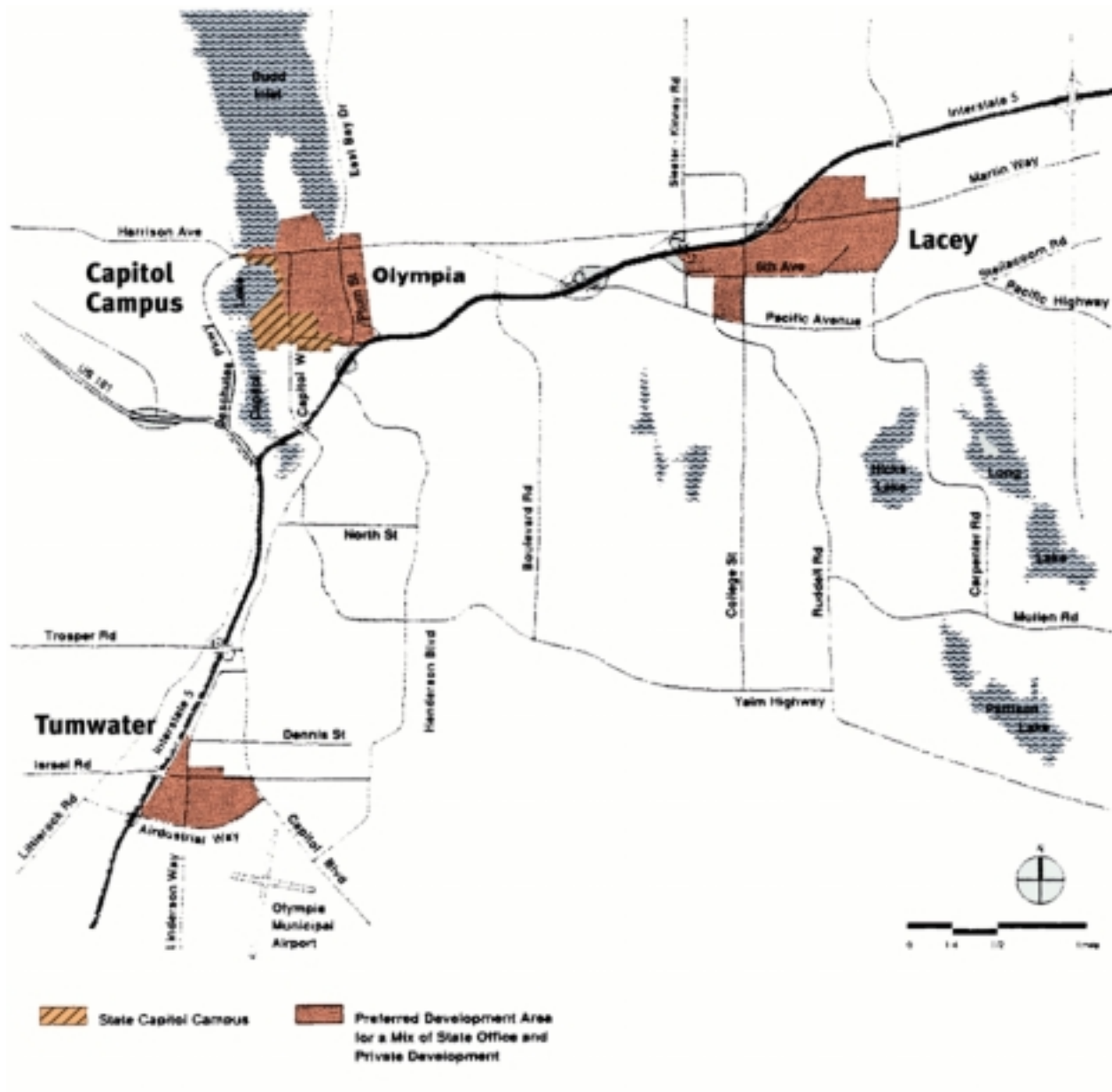


Figure I-1  
**Capitol Campus Community**

## Development Concepts

An array of site-specific development concepts were compiled based on:

- The agency-specific functional and space program forecasts, parking requirements and Transportation Demand Management (TDM) goals.
- The development precepts and definition of a non-monumental office building of long term cost-effectiveness.
- The development potentials and constraints for each of the three candidate sites including jurisdiction-specific parking ordinances currently in existence and a baseline TDM goal of 15%. TDM goals of up to 35% may be achieved through aggressive commute trip reduction, resulting in potential project cost savings through reduced construction of parking areas.
- The approved Master Plans for the three capitol campuses.

Six physical concepts have been developed in this study. Three of the concept options are located on the Tumwater site, two concept options are on the Olympia site, and the sixth option is on the Lacey site. The following paragraphs provide a summary description of each concept, with conceptual site plans for each option displayed at the end of the Executive Summary. Section VII contains more detailed descriptions of each option. The options are intended as representations of “test of fit” only and are subject to future refinement and study.

**Option 1** would locate the new Transportation Agencies Building adjacent to the Labor and Industries (L & I) Building on the Tumwater campus. The building would consist of a six-story structure, and all new parking would be provided in surface lots.

**Option 2** situates the Transportation Agencies Building adjacent to the L & I Building on the Tumwater campus. The building would be a six-story structure, and new parking would be provided in a blend of surface lots and a new parking structure.

**Option 3** would consist of a six-story Transportation Agencies Building on the Tumwater campus. All new parking (except for visitors) would be provided in new parking structures.

Options 1 through 3 would also make use of 150 existing parking spaces in the L & I complex.

**Option 4** locates the Transportation Agencies Building on the site designated as Area 22 in the Capitol Campus. The building would be a four-story structure, and all new parking would be provided in a parking structure located below the building.

**Option 5** would consist of a four-story Transportation Agencies Building on Area 22 in the Capitol Campus. All new parking would be provided in a above-ground parking structure located on an adjacent site (Area 21).

Options 4 and 5 would also make use of 200 existing parking spaces in the Plaza Garage.

**Option 6** would consist of a five-story Transportation Agencies Building that would front along Desmond Drive on the Lacey campus. All new parking (except for visitors) would be provided in new parking structures located on the hillside behind the building.

## Costs and Comparison of Development Concepts

In order to identify the most appropriate and cost-effective development the following non-cost evaluative criteria were compiled with the project's steering committee:

Site	(physical appropriateness and development hurdles)
Environmental	(sensitive areas and impacts)
Access	(convenience and support of public transportation)
Design Potential	(contextual fit and urban design contribution)

In addition to considering physical, environmental, and design criteria, the comparative evaluation also included estimated development costs. The development costs for each of the options were estimated using Form C-100s. Section VIII details the comparison of development options for both cost and non-cost criteria. The detail for each one of the cost estimates (C-100s) is provided in Appendix C, together with a reconciliation to the costs estimated by the Legislative Transportation Committee staff in an earlier study.

Finally, the JLARC Model, developed by the State of Washington as part of the Legislative Budget Committee 1995 performance audit "Capital Planning and Budgeting: Study of Leasing Versus Ownership Costs", was used to undertake the financial analyses. The Government Building Owners & Lessors Association (GBOLA) was an active participant in subcommittee work in developing JLARC and agreed to the baseline information and assumptions used in relation to the JLARC model. Two separate financial analyses were completed.

- The life cycle costs of the proposed new Transportation Agencies Building were projected and compared to the costs of continuing to lease space in dispersed facilities throughout Thurston County.
- The total development and life cycle costs were estimated and compared for two methods the state has available for procuring and owning the proposed project:
  - The traditional *public works process* whereby the state both develops and owns the building. For purposes of the analysis, it is assumed that the state would use the General Contractor-Construction Manager (GC-CM) method, a form of public works design-build, to undertake development of the proposed project.
  - The *lease development process* whereby a private developer would build the facility, based on specifications provided by the state, and initially lease the building to the state. Provisions in the lease would allow the state the option of purchasing the building after a specified number of years.

Section IX details the application of the JLARC model for the proposed Transportation Agencies Building.

## Major Study Findings

Based on the work completed over the course of this project and the estimated costs and benefits for the six Options, the major findings are as follows.

1. Currently, the individual agencies that are candidates for the Transportation Agencies Building are distributed across 22 leased office locations yielding significant dysfunctionality and opportunity costs for each agency. For example, substantial time and expense is presently incurred in traveling between locations for meetings and other activities requiring face-to-face interaction.
2. The proposed Co-located Transportation Agencies facility will achieve long sought-after adjacencies and efficiencies in a large building that will itself be a major presence in any of the three candidate jurisdictions. Benefits of co-location include:
  - *Improved operating efficiency and effectiveness*, such as reduction in time lost to travel, consolidation of telephone, computer systems and mail service, shared use of resources (e.g. pool vehicles), and use of new facility meeting space in lieu of paying for outside meeting space.
  - *Improved service to the public*, as evidenced by increased visibility and identity, provision of one-stop transportation-related services, and improved public access.
  - *Building efficiencies from improved design*, including greater energy efficiency, flexible space and systems to accommodate changing needs at lower cost, reduction of non-assignable space, and consolidation of functions such as reception, training/conferences, mail room, and storage.
  - *Improved security* from central, controlled reception area and restricted access to secure areas.
3. The difference in projected total life cycle costs between building a new Transportation Agencies facility and continuing to lease space in dispersed facilities is insignificant, when both options are considered in similar physical arrangements (Option 1: All surface parking).

Table I-1  
**Comparison of Life Cycle Costs: Dispersed Facility and New Project Option (1999\$)**

	Dispersed Option (Existing Leases)	New Project Option 1
<b>35 Year Facility Life Cycle Costs (NPV)</b>	\$ 121,077,000	\$ 126,733,000
<b>Net Present Value per NSF</b>	\$21.67	\$22.68
<b>Operational Cost Savings (PV)</b>		
Outside Meeting/Training Costs		\$ 6,081,000
Employee Travel Between Facilities		<u>\$ 476,000</u>
<b>Total Operational Cost Savings</b>		\$ 6,557,000
<b>Total Life Cycle Costs Including Operational Cost Savings</b>	<b>\$ 121,077,000</b>	<b>\$ 120,176,000</b>

While the projected facility-related life cycle costs are higher for a new Transportation Agencies Building, this is offset by the estimated operational savings from reduced costs of outside meeting/training and employee travel between facilities. Other co-location operational cost savings will be realized, but cannot be quantified at this study phase.

**Given the significant benefits to co-location, as noted in 2. above, as well as the substantial improvement in the quality of space afforded by a new building, the construction of a new Transportation Agencies Building is an appropriate and cost-effective option for the State of Washington.**



4. The State's expressed desire, captured in this analysis, to develop facilities of higher initial quality in the interest of long-term cost-effectiveness, represents a return to the course charted with the Capitol Campus Master Plan as well as the Lacey and Tumwater Campus Master Plans. Those Plans are the basis of the development expectations in each of the jurisdictions that are candidates for the Transportation Agencies Building.
5. Achieving the expressed intentions for quality state facilities and living up to the expectations created by the three Master Plans logically involves developing the Transportation Agencies Building either:
  - On the Olympia Campus with parking underneath (Option 4) or
  - On the Tumwater Campus with all structured parking (Option 3)

Those two site-specific options were evaluated as superior to the other four alternatives because:

- The sites are physically more development-ready and compatible with the State's planning for its needs and, therefore, more readily acceptable to the surrounding neighbors.
- The potential environmental challenges are less formidable.
- The design potentials and the potential urban design contribution are either approximate or comparatively better than the other options.

The Olympia campus option has the added benefit of proximity to existing Transportation Agency functions, which will result in fewer vehicle trips, improved coordination, and the best opportunity for a significant reduction in commute trips.

6. The two development options (Options 3 & 4) assessed as most appropriate are estimated to be \$15-\$22 million more costly to develop than the least costly Option 1, which would build on the Tumwater campus with all surface parking (Table I-2). Based on experience in compiling the Tumwater Campus Master Plan, neighborhood and municipal concerns will be significant for such a large building with all surface parking, and likely involve significant mitigation including, perhaps, structured parking akin to the all structured parking option. Therefore, it is strongly recommended that structured parking be considered as part of the development plan for the proposed Transportation Agencies facility.
7. Total estimated development costs for a new Transportation Agencies Building are higher than the estimates developed in an earlier study by the Legislative Transportation Committee (LTC). (See Appendix C for reconciliation of the two cost estimates). The primary reasons for the increase are: 1) an increase in project size of approximately 65,000 gross square feet; 2) an increase in construction cost per square foot of around \$10; 3) increased site development costs for parking, infrastructure and mitigation; and, 4) the inclusion of financing and construction period interest in the current estimate.

As a test of sensitivity, development costs were estimated for a Transportation Agencies Building that would meet the space requirements of the agencies at 2010 rather than 2020. Such a building would be sized at 344,250 gross square feet, and total development costs (in 1999\$s) would be approximately \$75 million for Option 1, or about \$6 million less than the costs estimated to meet 2020 requirements.

8. State development and ownership (public works) is the most appropriate and cost-effective method for procuring and operating the proposed Transportation Agencies Building in each of the development options.

- Total development costs for each option are about the same whether the building is developed by the state or by a private developer. Construction costs, which represent about 75% of total project costs, are assumed to be the same under both public and private development scenarios. While certain project costs, such as consultant services and project management, are expected to be lower for a project developed privately, these cost savings are offset by the private developer's requirement for profit, which is not necessitated under state development.
- The present value of life cycle costs over a 35-year period are significantly higher under private lease development—from \$37 to \$45 million more—as compared to the cost of state development and ownership. The substantial cost penalty under private lease development is due to: 1) private mortgage finance rate that is approximately 2.5% higher than the rate on tax-exempt bonds; 2) property taxes that would be required under a private project but not for a project owned by the state; and, 3) rate of return requirement for a private developer that would not be necessitated on a state-owned project.

Even when property taxes are imputed under the state-owned scenarios, the life cycle costs under the private lease development scenario would remain from \$17 to \$25 million higher than the costs of a project developed and owned by the state.

9. State action to implement the proposed building logically would start with:

- A Pre-Design, including the requisite functional and space program, a more refined sizing of the required building, and additional detailed cost-benefit analyses of the Olympia and Tumwater Options. The full range of Transportation Demand Management (TDM) Strategies should be defined and evaluated in the Pre-design in order to refine parking demand estimates and to reduce parking requirements and costs to the minimum acceptable level. Final site and building plans should reflect TDM's adjusted to locations and reflect the state's commitment to these strategies, which include adjacent state development.
- An Environmental Impact Statement (EIS) with three alternatives; Olympia with parking underneath, Tumwater with surface parking, and Tumwater with structured parking. Full mitigation costs and existing geotechnical and other environmental factors cannot be adequately addressed without this important piece of work.

Table I-2  
Development Costs

	<b>Option 1 - Tumwater</b>		<b>Option 2 – Tumwater</b>		<b>Option 3 – Tumwater</b>	
	All Surface Parking		Blend of Surface & Structured Parking		All Structured Parking	
	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>
<b><i>Development Costs (C-100)</i></b> (Excludes F,F & E)						
Consultant Services	\$ 5,719,000	\$ 5,845,000	\$ 5,961,000	\$ 6,086,000	\$ 6,043,000	\$ 6,166,000
Construction Cost	\$ 61,146,000	\$ 67,726,000	\$ 69,325,000	\$ 76,786,000	\$ 72,703,000	\$ 80,525,000
Other Costs	\$ 13,897,000	\$ 15,336,000	\$ 15,344,000	\$ 16,923,000	\$ 15,942,000	\$ 17,577,000
Total Project Costs	\$ 80,762,000	\$ 88,907,000	\$ 90,630,000	\$ 99,795,000	\$ 94,688,000	\$ 104,268,000
	<b>Option 4 - Olympia</b>		<b>Option 5 – Olympia</b>		<b>Option 6 - Lacey</b>	
	All Structured Parking Below Building		All Structured Parking On Adjacent Site		All Structured Parking	
	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>
<b><i>Development Costs (C-100)</i></b> (Excludes F,F & E)						
Consultant Services	\$ 6,100,000	\$ 6,217,000	\$ 5,722,000	\$ 5,835,000	\$ 5,914,000	\$ 6,034,000
Construction Cost	\$ 79,131,000	\$ 87,645,000	\$ 69,871,000	\$ 77,389,000	\$ 72,174,000	\$ 79,940,000
Other Costs	\$ 15,832,000	\$ 17,411,000	\$ 14,264,000	\$ 15,694,000	\$ 17,374,000	\$ 19,211,000
Total Project Costs	\$ 101,063,000	\$ 111,273,000	\$ 89,857,000	\$ 98,918,000	\$ 95,462,000	\$ 105,185,000

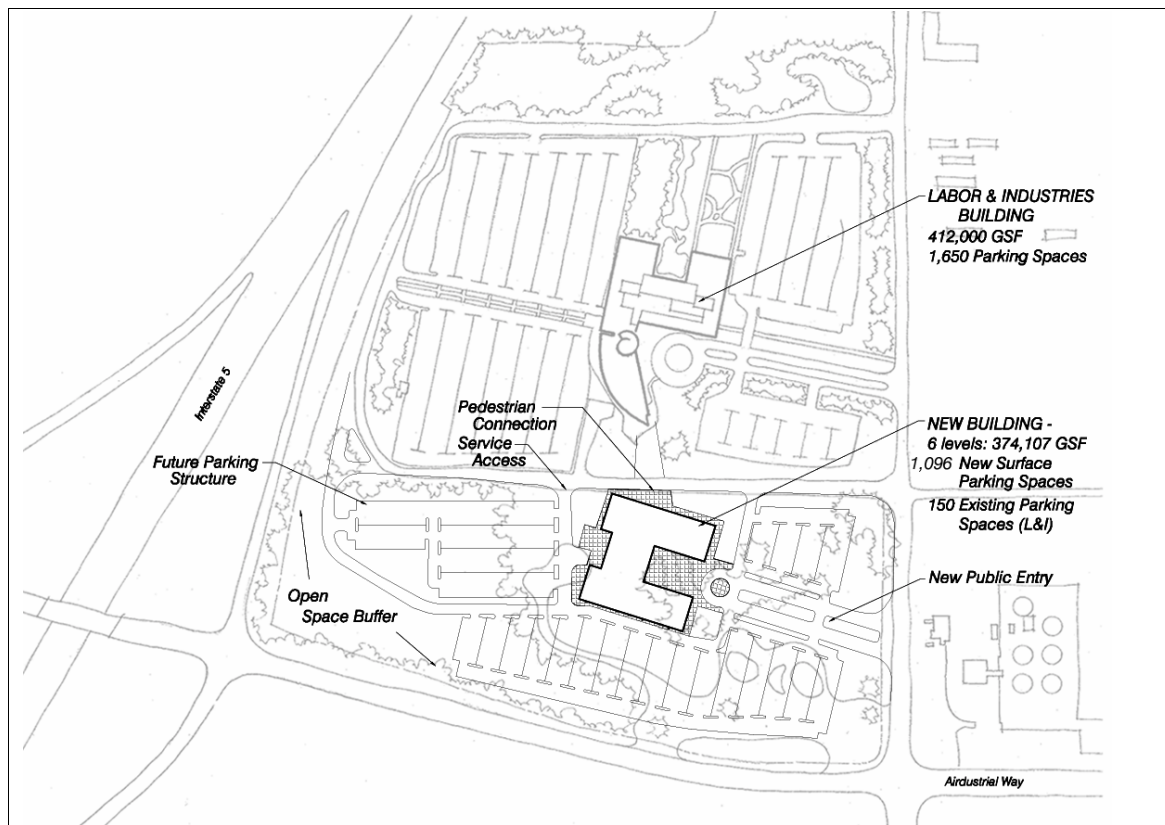


Figure I-2

### Option 1 – Tumwater: All Surface Parking

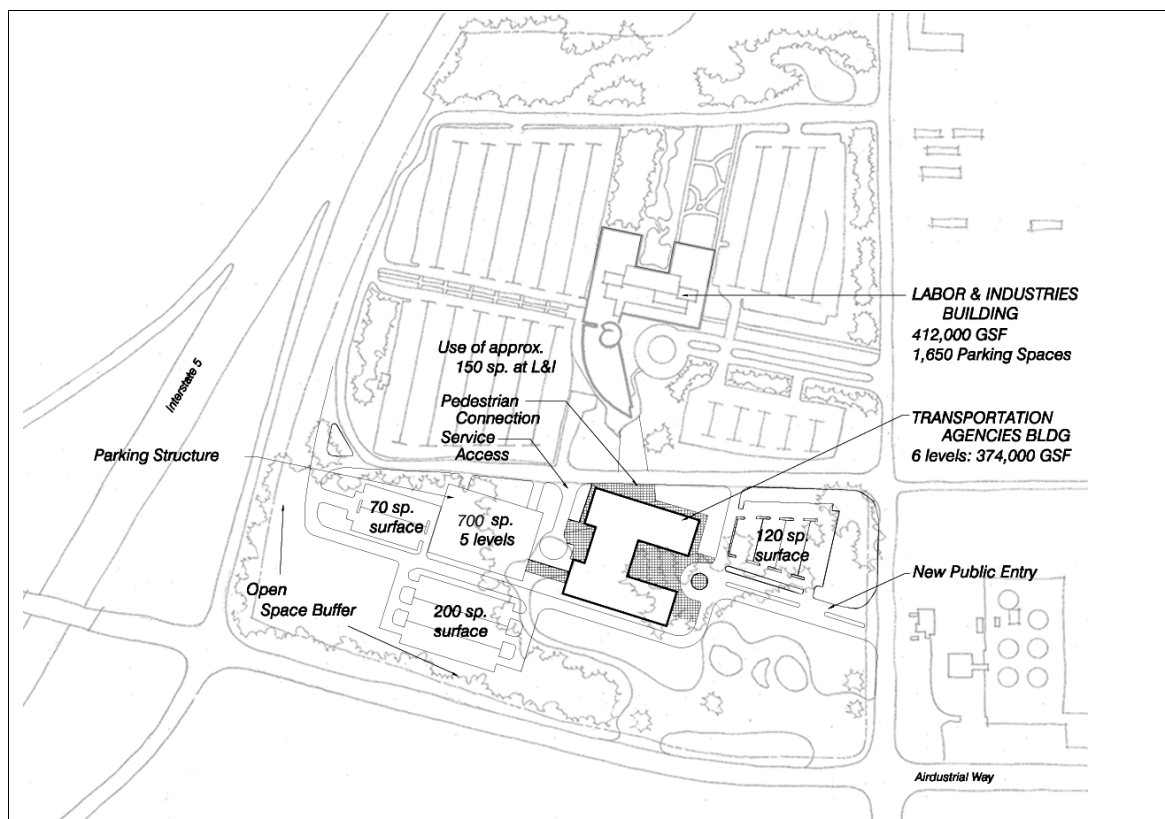


Figure I-3

### Option 2 – Tumwater: Blend of Surface and Structured Parking

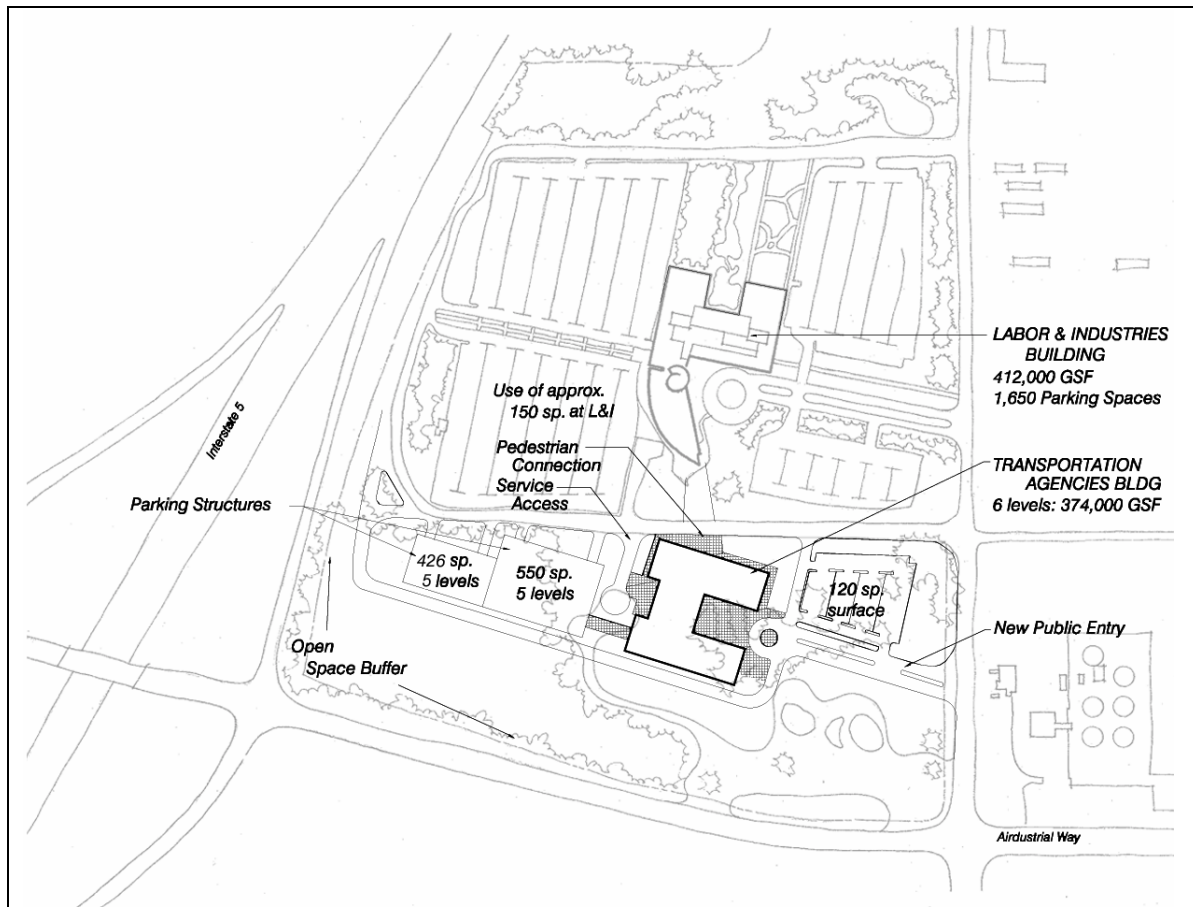


Figure I-4

### Option 3 – Tumwater: All Structured Parking

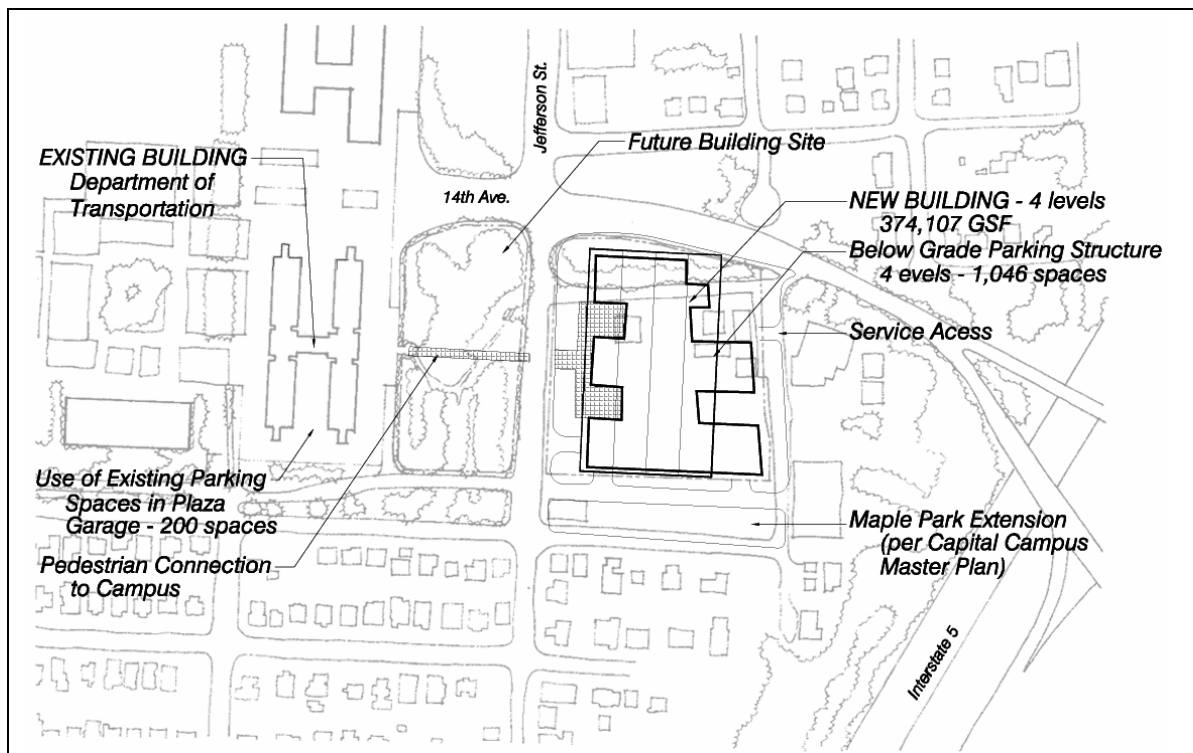


Figure I-5

### Option 4 – Olympia: All Structured Parking Below Building

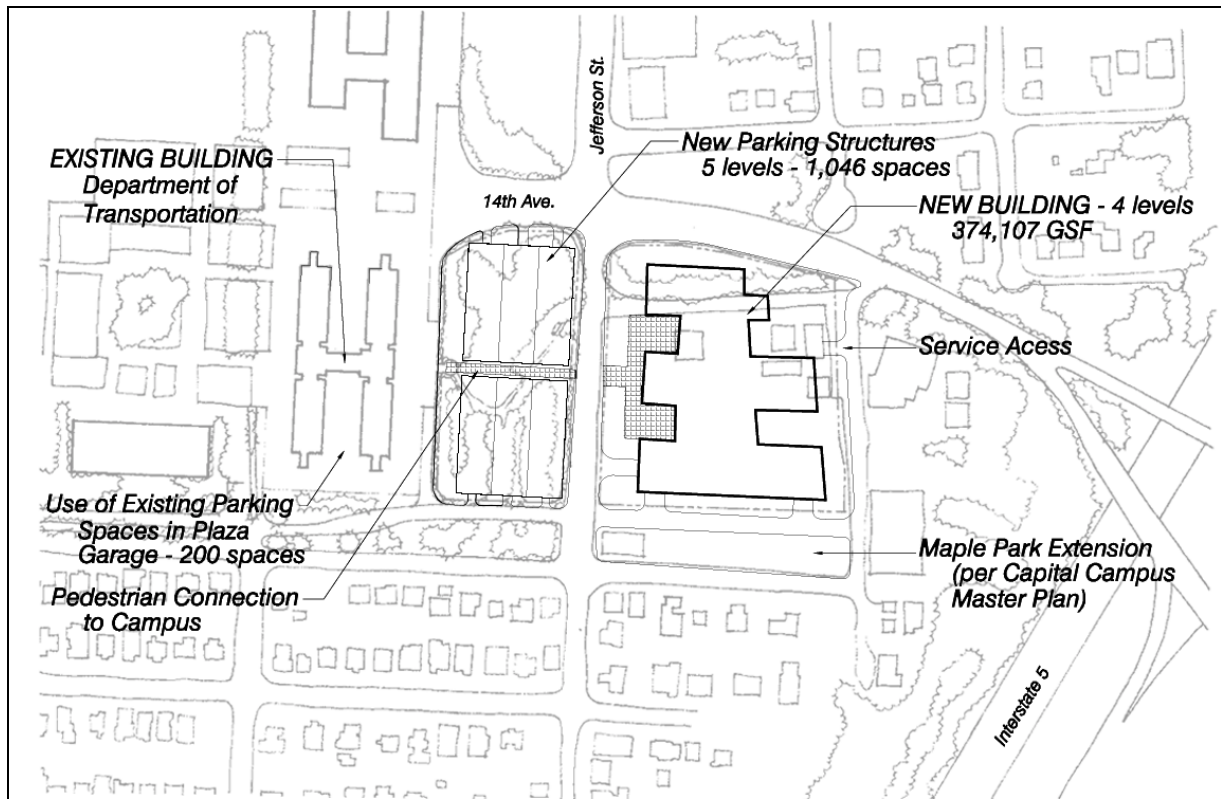


Figure I-6

**Option 5 – Olympia: All Structured Parking on Adjacent Site**

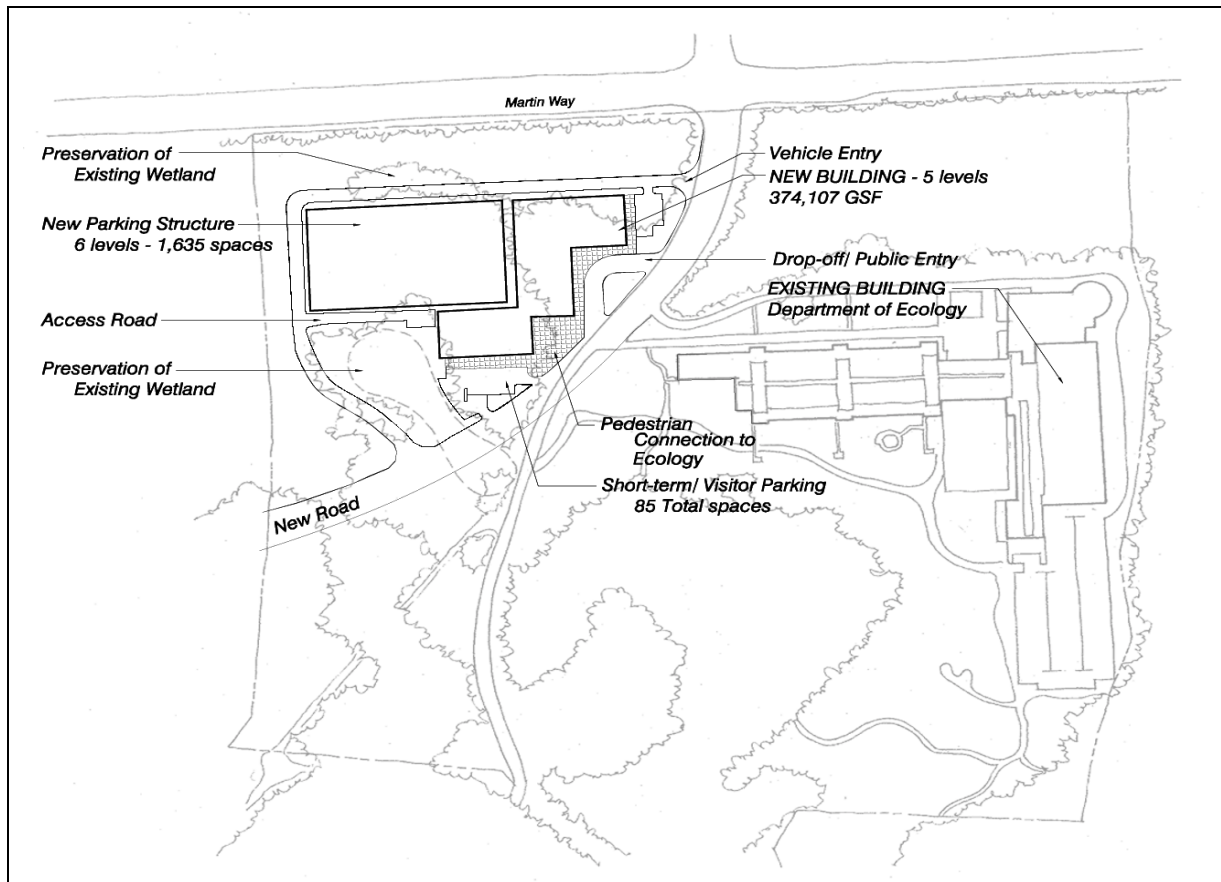


Figure I-7

**Option 6 – Lacey: All Structured Parking**

## **II. Background and Study Purpose/Process**

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## II. BACKGROUND AND STUDY PURPOSE/PROCESS

As a result of incremental growth occurring over many years, multiple transportation agencies have been physically fragmented into 22 different leased facilities in Olympia, Lacey and Tumwater. Rent payments for these facilities are approximately \$8 million per biennium. In every case, the programs housed in leased space are permanent agency program functions, not temporary, peak-demand space needs. For example, the Washington Traffic Safety Commission has occupied the same lease space for 22 years.

The current scenario is not unlike the cyclical growth, fragmentation, and consolidation patterns that have occurred with other state agencies, including Labor and Industries, Ecology and the Natural Resource Agencies in Thurston County.

There have been a number of prior studies regarding consolidation and/or co-location of transportation agencies that are the subject of the current effort.

In 1990, GA conducted a building pre-design study for the Washington State Patrol (WSP), recommending a consolidated building on the Olympia campus. That project was not funded.

In 1992, GA conducted a space needs analysis for the combined Transportation Agencies that established a methodology for determining space needs for each agency, and made space projections to the year 2010.

In 1998, the Legislative Transportation Committee (LTC) staff conducted a review of Transportation Agencies facilities needs, funding options, a lease vs. own analysis, concluding that construction of a consolidated facility on state-owned land was feasible and prudent. The LTC fiscal working group recommended a request for \$700,000 to perform pre-design of a consolidated Transportation Agency building. During Legislative session, GBOLA, a local private developer lobbying group was successful in scaling the request back to a study.

As a result, Section 303 of the 1999-01 Transportation Budget provided \$100,000 to the Department of General Administration to perform an evaluation of the cost-effectiveness of a proposed consolidated Transportation Agencies facility. The study involves the needs represented by mostly leased office space currently held by the following agencies in Thurston County:

- Department of Transportation
- Washington State Patrol
- Department of Licensing
- Transportation Improvement Board
- Washington Traffic Safety Commission
- County Road Administration Board

Also, during the course of the study, the Department of Licensing (DOL) expressed an interest in consolidating all its operations into a single location. Due to time and budget constraints, it was agreed that development options carried forward would not incorporate the consolidation of DOL, yet not preclude the possibility of consolidation in the future. Further study of this issue is dependent on additional funding for programming this additional consolidation.



The purpose of the study is to estimate the costs and benefits of locating a consolidated office facility at one of three potential locations:

- Tumwater Satellite Campus - Adjacent to Labor & Industries
- Capitol Campus - East of existing Transportation Building
- Lacey Satellite Campus - Adjacent to Ecology

The results of the study are to be presented to House and Senate fiscal committees by December 31, 1999.

## **Why Consolidate?**

The current study presupposes that co-location of fragmented transportation agencies is an appropriate and cost-effective endeavor. The reasons for co-location are listed below.

### ***Improve Agencies Operating Efficiency and Effectiveness***

- Attain consolidation of 30 fragmented facilities, housing many interrelated functions
- Reduce time lost to travel
- Improved employee productivity
- Consolidation of telephone, computer systems, and mail service
- Reduction in support staff over time
- Shared use of resources, i.e. pool vehicles, libraries
- Enhanced communication and accountability through adjacency
- Enhanced public and employee image, thereby improving recruitment and retention

### ***Improve Service to the Public***

- Increased visibility and identity
- Provision of one-stop transportation-related services
- Increased public access
  - Barrier-free access
  - Available Parking
  - Transit access
- Enhanced emergency incident coordination
- Coordination with community service programs

### ***Cost Reduction***

- Improved building design
  - Energy efficiency
  - Universal, flexible, interior space and systems to meet changing needs at lower cost
  - Reduce non-assignable space
  - Consolidate to maximize utilization of common areas, i.e. reception, training, conference, mail room, storage
- Reduce staff and vehicle costs for cross-town travel
- Reduced office machine costs
- Improved functional efficiency of employees through facility design

### ***Improved Security***

- Central, controlled reception area
- Enhanced employee safety
- Restricted access to secure areas

## **Study Process**

The study process included eight major tasks as outlined in Figure II-1. The study included active participation of representatives from the candidate Transportation Agencies as well as the Department of General Administration.

Figure II-1  
**Study Process**

**III.**  
**Transportation Agencies**  
**Mission, Programs and Existing Space**

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### **III. TRANSPORTATION AGENCIES-MISSION, PROGRAMS AND EXISTING SPACE**

As a starting point for estimating the space needs for a new transportation agency facility, information was compiled on the existing space, employee headcount and special needs of each department or division within the agencies to be located in the new facility. For this study it was assumed that only the departments that currently lease space would be relocated. The issue was raised during the study effort of whether this approach would provide the most appropriate functional relationship between departments within the Department of Transportation and Department of Licensing, or whether a better solution would be achieved via a shuffling of departments currently located in leased and non-leased space. It was agreed that this issue would be addressed in the more detailed pre-design phase of development planning for the new building.

Currently three of the agencies in the study -- the Transportation Safety Board, Transportation Improvement Board, and the County Road Administration Board -- have all of their space in 22 leased facilities. The Departments of Transportation and Licensing have both leased and state-owned space. The leased facilities are scattered throughout Lacey, Olympia and Tumwater. (See Figure III-1)

#### **A. Washington State Department of Transportation**

The Washington State Department of Transportation (WSDOT) employs between 6,500 to 7,000 persons statewide, with about 990 employees in Thurston County. WSDOT is responsible for operating and maintaining all state transportation systems. Specific responsibilities of the agency include:

- Planning, designing and contracting for the construction of the state and federal highway systems and related infrastructure.
- Maintaining, preserving and managing the capital assets that comprise the state-owned transportation system.
- Building and operating the Washington State Ferry System.
- Promoting private and public investments in and operation of state-owned and state-related transportation systems.

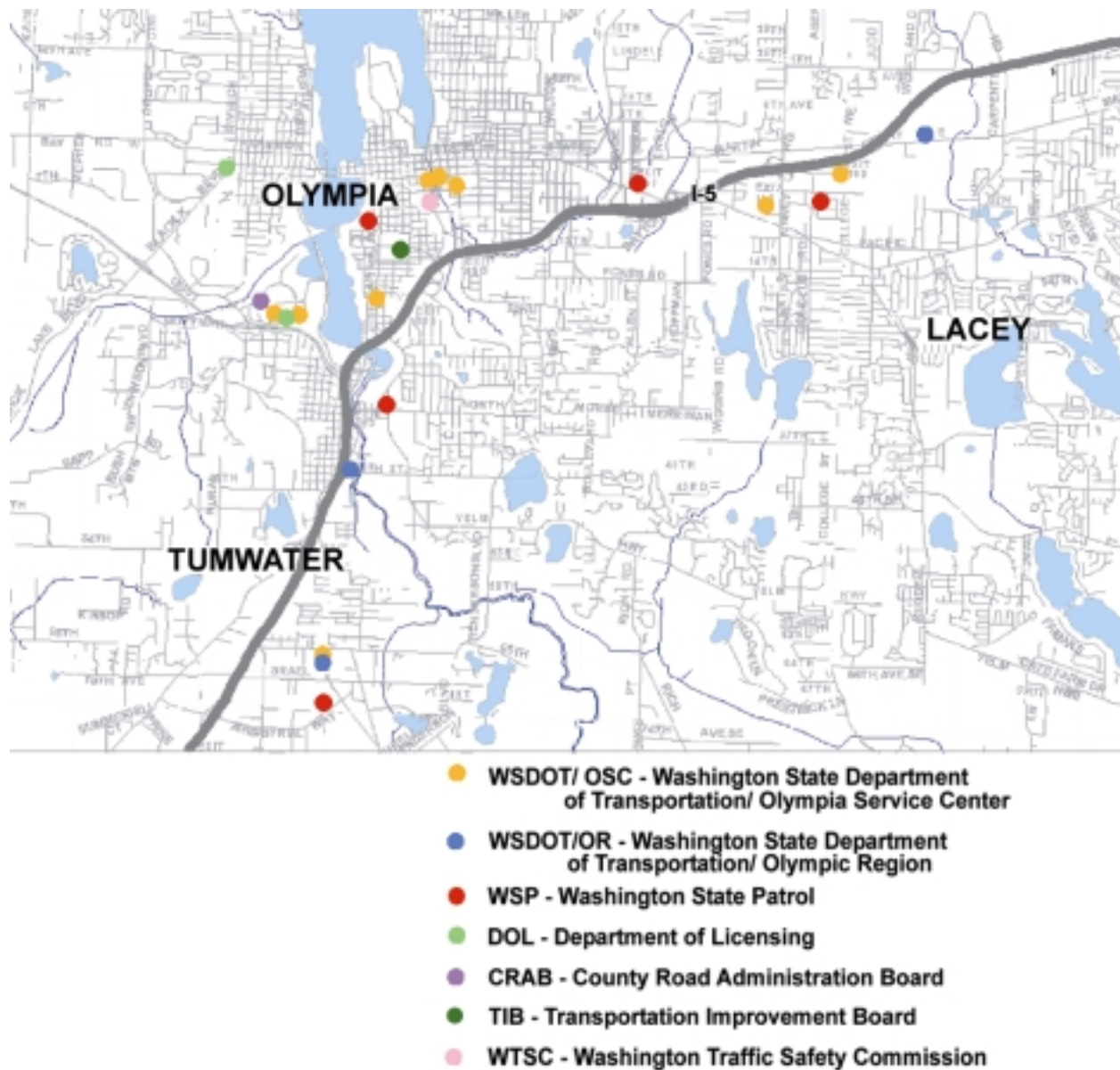


Figure III-1  
Existing Leased Space Locations

## **1. Mission and Values**

WSDOT's mission is to "efficiently build, maintain, operate and promote safe and coordinated transportation systems to serve our public." The agency's strategic goals include:

- Improve the public's understanding of WSDOT's mission
- Improve public confidence in agency accountability
- Improve customer service
- Conduct business in a manner that enhances public confidence
- Ensure the WSDOT has the capability to develop and implement transportation solutions to address needs identified in Washington's Transportation Plan
- Develop and maintain a stable, diverse core workforce supplemented by the capability to respond to peak needs
- Provide employees with access to technology, resources, and skills to perform their jobs
- Maximize the use of existing funds
- Leverage outside funds and forge new partnerships
- Pursue additional funding

## **2. Current Facilities and Space**

The Department of Transportation headquarters building is located on the East Capitol Campus. The agency intends to maintain that facility with its current occupants, thus it is not considered as part of a new co-located facility. The offices being considered for the new facility are listed below. Together these offices currently occupy nearly 80,000 square feet in 8 separate locations in Thurston County. Table III-1 lists the current location, number of employees, and existing space for each of these departments.

**Bridges and Structures** set standards, repair permitting, and maintenance of the states bridges.

**Computer Aided Engineering (CAE)** provides technical support and training for the Engineering software applications used throughout the Department.

The **Environmental Affairs Office** assists in integrating environmental considerations and regulatory requirements into WSDOT's transportation program.

**Consultant Services** manages the Department's statewide consultant program.

**Traffic Operations** ensures full utilization of existing transportation facilities by maximizing efficiency and safety.

**Radio Operations** researches, develops, provides and maintains quality radio communications systems for the Departments engineering, operations and maintenance crews.

**Motor Carrier Services** administers the issuance of permits for very large and overweight loads, and trip and fuel permits.

*Management Information Systems, Risk Management and Purchasing & Inventory* provide support services for the Agency.

*Transportation Economic Partnerships (TEP)* develops transportation improvements for the movement of people and goods using innovative financing.

Table III-1  
**Department of Transportation  
Existing Offices in Leased Space**

<b><u>Department</u></b>	<b><u>Location</u></b>	<b><u>Square Feet</u></b>	<b><u>Employees</u></b>
Bridges & Structures	4500 Third Avenue, Lacey	15,224	90
Computer Aided Engineering (CAE)	719 Sleater-Kinney Road, Lacey	6,667	17
Environmental Affairs	New Location	5,622	26
Consulting Services	New Location	2,533	5
Traffic Operations	724 Quince St., Olympia	7,236	30
Radio Operations	724 Quince St., Olympia	1,606	8
Motor Carrier Services	921 Lakeridge Way, Olympia	2,749	10
Admin. Facility Planner	724 Quince St., Olympia	232	1
Management Information Systems	724 Quince St., Olympia	4,342	32
Management Information Systems	809 Legion Way, Olympia	22,598	116
Risk Management	921 Lakeridge Way, Olympia	2,978	10
Admin. Services Purchasing Office	6639 Capitol Blvd., Tumwater	1,843	10
Transportation Economic Partnerships	Bristol Court, Olympia	<u>5,950</u>	<u>12</u>
<b>Total</b>		<b>79,607</b>	<b>367</b>

### **3. Existing Operational Difficulties**

The scattering of departments in multiple locations throughout Thurston County causes inefficiencies in work patterns and significant opportunity labor cost spent in transit between settings. In addition, some departments are very cramped in their space with an assignable square foot (asf) per employee as low as 140 in comparison to the normative 215 asf applied in this analysis.



## **B. Department of Licensing**

The Department of Licensing (DOL) oversees licensing within the state. DOL is comprised of five divisions: Driver Services, Vehicle Services, Business & Professions, Information Services, and Management.

### **1. Mission and Values**

The Department of Licensing's mission is to "protect the public safety and welfare in all areas they license and regulate, and ensure the fair, timely and efficient collection of state revenue."

DOL accomplishes its mission through courteous customer service; protecting individual privacy; informing citizens of agency services and public responsibility; enhancing agency operations through technology; being efficient and cost-effective; being knowledgeable and well-trained; and conducting its business equitably.

In support of the agency's mission, the following values are stressed:

- Quality in everything they do
- Responsible public service
- Leadership to meet the opportunities of the future
- Diversity in the workplace and in the services the agency delivers
- Being part of the community they serve
- An environment in which the employees can successfully meet the challenges of continual change
- Value all employees and their contributions to the agency

### **2. Current Facilities and Space**

Three of five DOL divisions are considered candidates for inclusion in a new co-located facility. The candidate divisions are listed below, with current location, numbers of employees, and amounts of space, provided in Table III-2. Together these divisions currently occupy around 90,000 square feet in three locations in Thurston County.

The ***Vehicle Services Division*** includes the *Title & Registration* department, which is responsible for over 5 million vehicle and 300,000 vessel licenses and titles; the *Dealer Services* department, responsible for licensing state vehicle and vessel dealers, vehicle manufactures, and salvage and towing operations; and the *Prorate & Fuel Tax* department which administers fuel tax laws and licenses large trucks.

The ***Business & Professions Division*** includes *Master Licenses Services*, which provides one-stop business licensing and registration for more than 74-license types administered by 11 state agencies, and oversees trade name registrations; the *Uniform Commercial Code*, which acts as a repository for filing and searching of security interests; and the *Professional Programs* which protect consumers by licensing and registering and examining 30 self-supporting professions.

The **Information Services Division** includes *Customer Systems Management Services*, which develops and maintains the automated systems supporting the various program areas, and the *Agency Computer Services*, which operates DOL's automated systems and responds to inquiries from federal, state and local law enforcement about driver and vehicle records.

Table III-2  
**Department of Licensing  
Existing Departments in Leased Space**

<u>Department</u>	<u>Location</u>	<u>Square Feet</u>	<u>Employees</u>
Directors Office – Employee Services	Black Lake #1	6,938	18
Administrative Services – Accounting Services	Black Lake #1	7,688	38
Administrative Services – Office Services	Black Lake #1	1,687	13
Telecommunications	Black Lake #1	306	3
Vehicle Services – Prorate & Fuel Tax			
Administration	Bristol Court	987	5
Audit Section	Bristol Court	1,790	7
Motor Carrier/Fuel Tax	Bristol Court	8,413	34
Office Support	Bristol Court	2,237	9
Investigations/Appeals/Compliance	Bristol Court	4,475	14
Business & Professions			
Assistant Director/Legal/Tech Support	Black Lake #2	2,105	15
Arch./Land Arch./Collection & Employ. Agency	Black Lake #2	1,799	4
Business & Occupations	Black Lake #2	3,440	29
Engineers & Land Surveyors	Black Lake #2	3,389	14
UCC/Funeral Dir. Cemetery/Notaries	Black Lake #2	4,296	26
Real Estate Appraisers	Black Lake #2	10,101	40
Firearms, etc.	Black Lake #2	3,608	24
MLS	Black Lake #2	5,413	43
Information Services			
Assistant Directors Office	Black Lake #2	8,417	22
Manager – Administrative Services	Black Lake #1	2,287	7
		594	4
Manager – Vehicle Services	Black Lake #1	5,819	19
Manager – Business & Professions	Black Lake #2	2,013	10
Manager -IT Services	Black Lake #2	2,410	22
Burroughs Room (File Servers)	Black Lake #1	<u>750</u>	—
<b>Total</b>		<b>90,962</b>	<b>420</b>

### 3. *Existing Operational Difficulties*

The scattering of departments causes inefficiencies in work patterns and opportunity labor cost for travel time between individual agencies during the workday.

## **C. Washington State Patrol**

The Washington State Patrol (WSP) is a state and internationally accredited law enforcement agency. Its 2000 employees are committed to excellence in public safety. In addition to traffic law enforcement the agency has a variety of duties, responsibilities and programs, including; crime laboratories, security on the state's ferry system, fire prevention, missing children, vehicle identification, narcotics task force, criminal histories and more.

### **1. Mission and Values**

The mission of the Washington State Patrol is to “answer our citizens’ call for public safety.”

Every employee of the Washington State Patrol is a valued member of a team committed to:

- Professional excellence
- Respect and protection of individual rights
- Acting with integrity to foster public trust

The agency values effective leadership and involvement through partnerships with the community and other public safety and transportation agencies to ensure a safer environment for all citizens and the state's commerce.

WSP's vision is for the agency's programs and operations to exemplify the highest standards of professionalism. Their mission is achieved through continuous performance improvement, supported by a consistent management style and a system of effective communication. A committed workforce initiates partnerships and strategic alliances to collaborate on public safety concerns to improve the security and safety of citizens and commerce.

The agency's performance consistently earns the trust and confidence of the public, the legislature supports the Washington State Patrol's need to recruit and retain a qualified workforce equipped with the information, technology, and physical resources necessary to meet our mission.

### **2. Current Facilities and Space**

The Washington State Patrol is broken into the follow six bureaus. With the exception of facility maintenance and storage functions, all Thurston County functions of the agency are candidates for inclusion in a new co-located transportation facility. Each of the bureaus is described below, with current locations, number of employees and existing space displayed in Table III-3. Together these bureaus currently are accommodated in approximately 94,000 square feet in seven separate locations.

**Office of the Chief** is where the Chief and Assistant Chief manage the statewide operations of the Patrol and oversee agency services such as budget and fiscal services, labor and risk management, and legislative liaison.

**Field Operations Bureau** is responsible for traffic law enforcement, collision investigation, and motorist assists on the state and interstate highways. Field Operations oversees patrolling on state highways in eight jurisdictions and administers communication and commercial vehicle services.

**Investigative Services Bureau** provides overall administrative and support services to the traffic and investigative programs of the department, as well as many other agencies in the state. Investigative Services is comprised of the Crime Laboratory, Investigative Assistance, Office of Professional Standards, Human Resource, Training and Traffic Investigation Divisions.

**Technical Services Bureau** provides support services and information technology for the entire department, as well as many other agencies in the state. This bureau is comprised of the Administration, Criminal Records, Electronic Services, Information Services and Property Management Divisions.

**State Fire Marshal and Fire Protection Bureau** have broad responsibility to ensure fire and life safety for the people of Washington State. They provide the following services and information: Fire Services Directory, Emergency Mobilization, Fire Training Academy, Regional Services, Fire Prevention and Safety, Fire Protection Policy Board, Fire Service Training, Related Fire Protection Links and Fire Stand Regulation.

Table III-3  
**Washington State Patrol**  
**Existing Departments in State Owned and Leased Space**

<u>Department</u>	<u>Location</u>	<u>Square Feet</u>	<u>Employees</u>
Office of the Chief	GA Building	1,600	6
Field Operations	GA	650	4
Technical Services Bureau	GA	650	3
Investigative Services Bureau	GA	650	3
Fire Protection Bureau	GA	9,000	31
Forensic Services Bureau	Seattle Lab	450	3
Administrative Services Division	GA	4,500	18
Commercial Vehicle Enforcement Division	GA	4,500	23
Criminal Records Division	3000 Bldg. Lacey	24,000	130
Traffic Investigation Division	Bldg. 17 Tumwater	4,500	11
Investigative Assistance Division	Bldg. 17 Tumwater	5,000	31
Information Technology Division	Tumwater	11,000	68
Human Resources Division	Lacey	10,000	31
Comminations Division	Lacey – Prudential	800	5
Budget And Fiscal Division	GA	7,500	42
Office of Professional Standards	Lacey – Prudential	5,000	16
Crime Laboratory Division	Lacey – Prudential	800	5
Executive Services	GA	2,500	21
Photo Lab	GA	600	1
Thurston County Detachment	Various locations	<u>*</u>	<u>23</u>
<b>Total</b>		<b>93,700</b>	<b>475</b>

\* WSP estimates approximately 2,000 square feet of existing space for this function.

#### **D. Washington State Traffic Safety Commission**

The Traffic Safety Commission promotes and implements traffic safety programs. The commission administers funds provided by the federal government and facilitates the safety programs. Presently the Traffic Safety Commission is located in leased facilities at 1000 Cherry Street in Olympia, with its 23 employees occupying 6,400 square feet.

#### **E. Washington State Transportation Improvement Board (TIB)**

The mission to the TIB is to:

- Assist local agencies to preserve and improve transportation systems by providing financial assistance
- Support economic development
- Promote public/private cooperation

The Transportation Improvement Board administers state funding for local government transportation projects.

Presently the Transportation Improvement Board has 18 employees, and is located in 2,850 square feet of space in the Transportation Building in Olympia.

#### **F. Washington State County Road Administration Board (CRAB)**

The mission of the County Road Administration Board is to preserve and enhance the transportation infrastructure of Washington counties by providing standards of good practice, fair administration of funding programs, visionary leadership, and integrated progressive and professional technical services.

CRAB ensures consistency and professional management of county road departments in the state.

Presently CRAB has 17 employees, and is located in 4,963 square feet of leased space at 2404 Chandler Court in Olympia.

#### **G. Agency Relationships and Adjacencies**

At the Transportation Agencies Facility study kick-off meeting, representatives from the Department of Transportation, Department of Licensing and the State Patrol identified agencies they most frequently interface with. Those adjacency and other development needs are provided in Appendix A.

#### **IV. Staffing and Space Need Projections**

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#### IV. STAFFING AND SPACE NEED PROJECTIONS

Departmental space needs were projected using a “top down” approach rather than through a “room by room” buildup due to quick project timeline and budget constraints. The methodology used to project space needs for the new transportation facility was as follows:

$$\begin{array}{r} \text{Forecast Headcount} \\ \times \\ \text{Normative Net Square Feet/Person} \\ = \\ \text{Building Net Rentable Square Feet} \\ \div \\ \text{Ratio of Rentable Square Feet/Gross Square Feet} \\ = \\ \text{Building Gross Square Feet} \\ + \\ \text{Special/Joint/State/Public Spaces} \\ = \\ \textbf{Total Estimated Building Gross Square Feet} \end{array}$$

The number of employees located in the leased space was counted as headcount instead of FTE. The subject agencies utilize contract workers, therefore it is important to document and plan for the maximum amount of ‘bodies’ that will be in a given space so that all employees will be functional.

##### A. Planning GSF and Space Standards

To arrive at the planning square footage for the Transportation Agencies Facility net square footage (NSF) number was applied to the forecast employee headcount. The NSF is based on the *rentable* square footage of a building. Rentable SF is total building area calculated from the interior side of the exterior walls minus all vertical penetrations such as stairs, elevators, mechanical or infrastructure shafts.

Office buildings today typically have a per capita NSF range of 180 to 400 or more. The higher standards are typically for corporate headquarters or work that takes unusually large support areas. At the low end of the range, 180 NSF provides employees with minimal support space. A range of 215-240 NSF per capita is common for most non-corporate office layouts. It was decided that 215 NSF would be used to estimate the area needed for the Transportation Agencies. This NSF is generally in keeping with what the departments slated for this facility currently have. After hearing from the users how tight some spaces currently are and without a room by room understanding of what each department really needs, using 215 NSF was deemed appropriate. This standard is with the range of state-specified space standards developed in recent years.

In addition, certain common spaces (e.g., meeting, training, conference rooms) that could serve the candidate agencies, and the public when not in use by the building users were considered separately.

The following is a summary of the amount of square footage and headcount as of 7/1/99 in the departments/agencies that will be located in the new facility.

Table IV-1  
**Existing Space & Headcount: 1999**

<b>Summary</b>	<b><u>Square Feet</u></b>	<b><u>Employee Headcount</u></b>
Department of Transportation	79,375	367
Department of Licensing	90,962	420
Washington State Patrol	93,700	475
County Road Admin Board	4,963	17
Transportation Improvement Board	2,850	18
Traffic Safety Commission	<u>6,400</u>	<u>23</u>
	<b>278,250</b>	<b>1,320</b>

## **B. Employee Headcount Projections**

Over the past 80 years the population of the State of Washington has grown at a rate of between 26% to 57% over 20-year intervals. According to the State Office of Financial Management projections, the state's expected growth in a range by county from a 20% to 42% between now and the year 2020. State population increases mean more demand on state services and probable increases in state employees. In order to plan a building that will meet future as well as current needs for the departments to be located there, year 2020 projected space needs and headcount have been used in this study.

Each department was asked to project their employee headcount needs to years 2010 and 2020. The following shows the six agencies' projections.

Table IV-2  
**Forecast Co-located Agency Headcounts**

<b>Summary Totals</b>	<b><u>Current Employees</u></b>	<b><u>2010 Headcount Agency Projection</u></b>	<b><u>2020 Headcount Agency Projection</u></b>
Department of Transportation	367	415	459
Department of Licensing	420	470	503
Washington State Patrol	475	525	575
County Road Admin Board	17	17	17
Transportation Improvement Board	18	20	22
Traffic Safety Commission	<u>23</u>	<u>28</u>	<u>30</u>
	<b>1,320</b>	<b>1,475</b>	<b>1,606</b>



The growth rates from current year to year 2020 vary from 20% to 25% for the three larger agencies and between 0% to 30 % for the three smaller agencies. Overall total headcount growth is projected at 22% over the approximate 20-year period.

The projection of space needs based on the projected employee headcount for all the departments within each agency is displayed on the following table.

Table IV-3  
**Co-located Transportation Agencies  
Planning GSF and Space Standards**

	<b>2020 Headcount Agency Projection</b>				
Department of Transportation	459				
Department of Licensing	503				
Washington State Patrol	575				
County Road Admin Board	17				
Transportation Improvement Board	22				
Traffic Safety Commission	30				
	<b>1,606</b>	<b>x</b>	<b>215 NSF</b>	<b>=</b>	<b>345,290</b> Rentable SF
					<b>20,717</b> Rentable to Gross (6% of rentable) (Ecology, L&I, DNR)
	<b>Special Joint/State/Public Spaces</b>				
Training Room - 30 seat	1,200				
Teleconferencing Room - 20 seat	750				
Auditorium - 200 seat	3,600				
Assembly Space - 60 seat	1,200				
	<b>6,750 SF</b>	<b>+</b>	<b>20% =</b>	<b>8,100</b>	<b>GSF</b>
				<b>374,107</b>	<b>Total Estimated GSF</b>

**V.**  
**Specifications for New State Office Facilities**

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## V. SPECIFICATIONS FOR NEW STATE OFFICE FACILITIES

Defining and describing the state's specific office facility development standards is a necessary first step in considering and comparatively evaluating alternative development strategies for the space needed in the transportation agencies. The intent is for the state to receive beneficial occupancy of a facility of exactly the same quality regardless of the development strategy employed.

To define a uniform description of a large state office building and its normative cost, at least for the purpose of this study effort, NBBJ hosted a work session with the state and real estate interests in the Olympia area who now lease space to the state. The goal was to define a non-monumental, efficient, flexible office building that will meet the needs of the state today and into the 21st century.

During the work session recent examples of built office buildings were critiqued. These include the state's Labor & Industries, and Ecology Buildings built in the early 1990's. Other examples were four recent NBBJ office projects in Seattle. In addition, the state gave a presentation on the specifications it employs for leased space. Currently there are varying standards of facilities that state employees work in. Typically, state developed and owned buildings are of a better quality than leased facilities, which vary themselves greatly.

### Standards & Precepts

Out of this work session came a list of standards and precepts of what state office buildings should be. The *standards* pertain to the usual CSI specification items like building materials and systems. These standards are meant to supplement the state's office building design and construction standards with specific requirements and criteria of approved materials and systems, as well as certain materials and systems that are undesirable.

The *precepts* address a broader range of issues including the site layout, the building, and the process of planning, designing and building construction. These precepts are concerned with issues such as the perception, quality, functionality, security, and 'experience' of the building and site. These are characteristics that are not typically dealt with in specifications but are critical because they make the difference between a quality successful project and a poor or indifferent building and site.

Following the standards and precepts is a list of 'green' design and building practices considered within the context of sustainable building practices and features.

## ***Standards – Materials and Systems***

### **General**

- Building life expectancy – minimum of 50 years
- Systems that provide for continuous capacity to operate and serve public
- Buildings must have at least one loading dock with storage areas for waste and recycling
- Buildings should promote and use ‘green’ materials and systems whenever possible and cost effective Buildings must meet all ADA requirements and respect spirit of code and universal access

### **Structure**

- Construction type should be II – FR or I – FR
- Avoid concrete post tension as it restricts flexibility
- Provide large clear spans to provide maximum flexibility in open work areas
- Minimum bay size 30’x30’
- No columns 4 feet or less from exterior wall
- Minimum 13’ floor to floor height
- Design system that does not vibrate

### **Exterior Closure**

- Exterior building materials should be good quality and low maintenance
- Brick, pre-cast concrete panels, curtain wall are acceptable
- No stucco, dryvit or substitutes, concrete block or tilt up concrete
- Glazing should be energy efficient – low e

### **Roofing**

- Design for limited human access
- Provide pedestrian pads and parapets
- Design with adequate slope for good drainage
- Minimize roof penetrations through design

### **Interior Construction**

- Use durable and easily maintained materials

### **Mechanical**

- Mechanical systems should have multi-zone capacity and be of high quality with long operating life
- System needs to be easily accessible for maintenance and replacement
- Control output of heat, dust, fumes and noise
- Define and design for maximum acceptable noise level
- Systems should have isolators and 4 way diffusers
- System should have appropriate sized zones so that airflow speed/duct size is acceptable and efficient

### **Electrical**

- Lighting systems should provide indirect and direct lighting
- Provide good security systems
- Provide additional electrical capacity
- Provide emergency power in areas of frequent outages

## **Technology**

- Buildings should be wired and designed with space/capacity for flexibility to provide for future and changing technological needs
- Provide for video conferencing capacity in conference rooms and where groups of people may gather
- Provide LAN's data outlets in conference rooms
- Design and provide for efficient, assessable wire management

## ***Precepts – Design and ‘Experience’***

### **Appearance**

- Buildings should not be ugly or appear institutional
- Buildings should have dignity and human scale
- Buildings should express stewardship and public trust

### **Siting & Landscaping**

- Locate and design structures to respond and relate to surrounding site and context
- Buildings should enhance the surrounding community
- Provide landscaped outdoor public/employee amenities
- Provide landscaping and clear pedestrian access at perimeters of buildings

### **Access & Site Circulation**

- Promote and access public transportation
- Have only minimal parking (short term) located directly adjacent to building
- Separate pedestrian and vehicular traffic
- Building should have good public access with visible, easily accessed entrances and public lobbies
- Provide close ADA parking to each accessible entry
- Circulation and way finding around site should be clear

### **Internal Space & Layout**

- Buildings should advocate and aid productivity
- Building layout should ensure employee security
- Buildings should be designed to permit flexibility and expansion
- Public lobbies should be built with materials to withstand high traffic and have security and access control
- Circulation and way finding in building should be clear
- Provide adequate amount of vertical circulation in convenient locations
- Offices should have a minimum ceiling height of 10' or exposed structure
- Provide as much fenestration and natural light as allowed under code
- Building should not have “warehouse” type floor plans with large distances from exterior walls and natural light
- Building core should have capacity for additional systems or change of services

### **User Amenities**

- Building should have employee showers and lockers.
- Building should have a flexible break area and ‘personal’ spaces
- Provide food service adjacent to meeting rooms
- Provide filtered water for consumption

## **Building Systems**

- Building systems need to accommodate 24-hour workday

## **Precepts – Project Process**

- Good communication and a clear process are essential
- Use good consultants, contractors during process
- Strive to get best value for money spent
- Test building design against possible future trends in technology and office environments

## ***Precepts – Green Design & Building Practices***

The following list of green practices comes from the state. Some of these practices have become standard, others should be incorporated into building design whenever possible and cost effective.

- |  |  |
|--|--|
| ▪ Planning Sustainable Sites                   | ▪ Enhancing Indoor Environmental Quality |
| ▪ Landscaping for Erosion Control              | ▪ Eliminate/Control Asbestos             |
| ▪ Reduce Heat Islands                          | ▪ Indoor Air Quality ("fresh" OSA)       |
| ▪ Infill Development                           | ▪ Smoking Ban                            |
| ▪ Reduce Habitat Disturbance                   | ▪ Thermal Comfort                        |
| ▪ Site Preservation/Restoration                | ▪ IAQ Management Plan                    |
| ▪ Efficient Building Location                  | ▪ Low VOC Materials                      |
| ▪ Alternative Transit Facilities               | ▪ Permanent Air Monitoring               |
|  | ▪ Chemical Storage Areas                 |
|  | ▪ Architectural Entryways                |
| ▪ Improving Energy Efficiency                  |  |
| ▪ Building Commissioning                       | ▪ Safeguarding Water                     |
| ▪ Energy Efficiency                            | ▪ Water Conservation                     |
| ▪ Natural Ventilation, Heating and Cooling     | ▪ Elimination of Lead                    |
| ▪ Waste Heat Recovery                          | ▪ Water Conserving Fixtures              |
| ▪ Renewable/Alternative Energy                 | ▪ Water Recovery System                  |
| ▪ Measurement and Verification                 | ▪ Water Conserving Cooling Towers        |
|  | ▪ Water Efficient Landscaping            |
| ▪ Conserving Materials and Resources           | ▪ Surface Runoff Filtration              |
| ▪ Elimination of CFCs/Halons                   | ▪ Surface Runoff Reduction               |
| ▪ Storage/Collection of Recyclables (occupant) | ▪ Biological Waste Treatment             |
| ▪ Existing Building Rehabilitation             | ▪ Measurement and Verification           |
| ▪ Resource Reuse                               |  |
| ▪ Recycled Content Building Materials          |  |
| ▪ Construction Waste Management                |  |
| ▪ Use of Local Materials                       |  |

**VI.**  
**Candidate Settings for the Co-located Facility**

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## VI. CANDIDATE SETTINGS FOR THE CO-LOCATED FACILITY

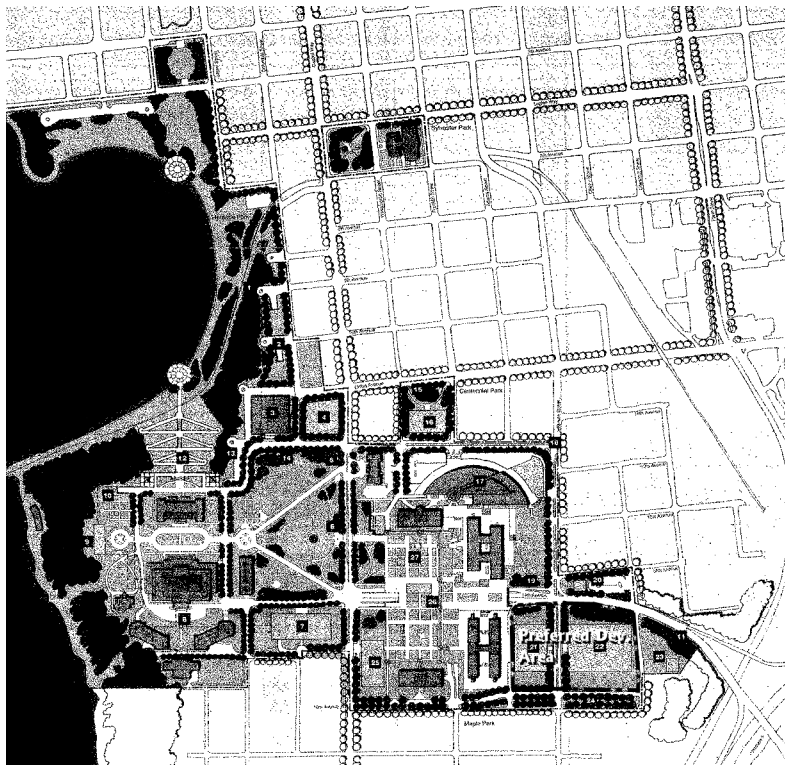
### A. The Capitol Community – Capitol, Lacey and Tumwater Campuses

#### 1. Capitol Campus, Olympia

Conceived in 1911, the original Capitol Campus provided for five buildings symmetrically arranged around the domed Legislative Building. The plan oriented buildings and outdoor spaces to take full advantage of the views to the north of Puget Sound and the Olympic Mountains. Buildings have been added to the campus over the years as the needs of the state have grown. In the 1960s, several major new buildings were developed expanding the campus east across Capitol Way.

Today the Capitol Campus contains two different and distinct sub-areas referred to as the West Campus and the East Campus. The older West Campus is the historic and symbolic heart of the Capitol Campus. Its character is defined by the great civic architecture and site design attributes such as panoramic views and large public open spaces. The newer East Campus, by contrast, is developed within the existing urban fabric maintaining existing street patterns and developing new buildings in a modern architectural style. Separated by Capital Way, these two sub-campuses are both physically and functionally different. The West Campus is the center for the executive, legislative and judicial branches of government, while the East Campus functions are mostly administrative and parking.

This study, in part, is to determine the feasibility and appropriateness of a new state office building on one of the State's three capitol campuses. Two parcels within the East Campus are considered within this study.



*Capitol Campus Master Plan*



## 2. *Lacey Campus*

The Lacey Campus plan was developed as an outcome of the 1991 Master Plan for the Capitol of the State of Washington. In that plan, the state proposed long-range development of state governmental facilities be distributed among three interconnected centers: Olympia (Capitol Campus), Tumwater and Lacey.

The Lacey campus measures approximately 67.5 acres and is the home to the Department of Ecology Headquarters building. The Ecology building and site related improvements utilize approximate 27.5 acres, the remaining 40 acres of wooded slopes and open meadows, is to accommodate 680,000 square feet of new office space including 1,700 parking spaces. This study examined a parcel of approximately 15 acres west of the Ecology building. The other available parcel was not large enough to accommodate the development.



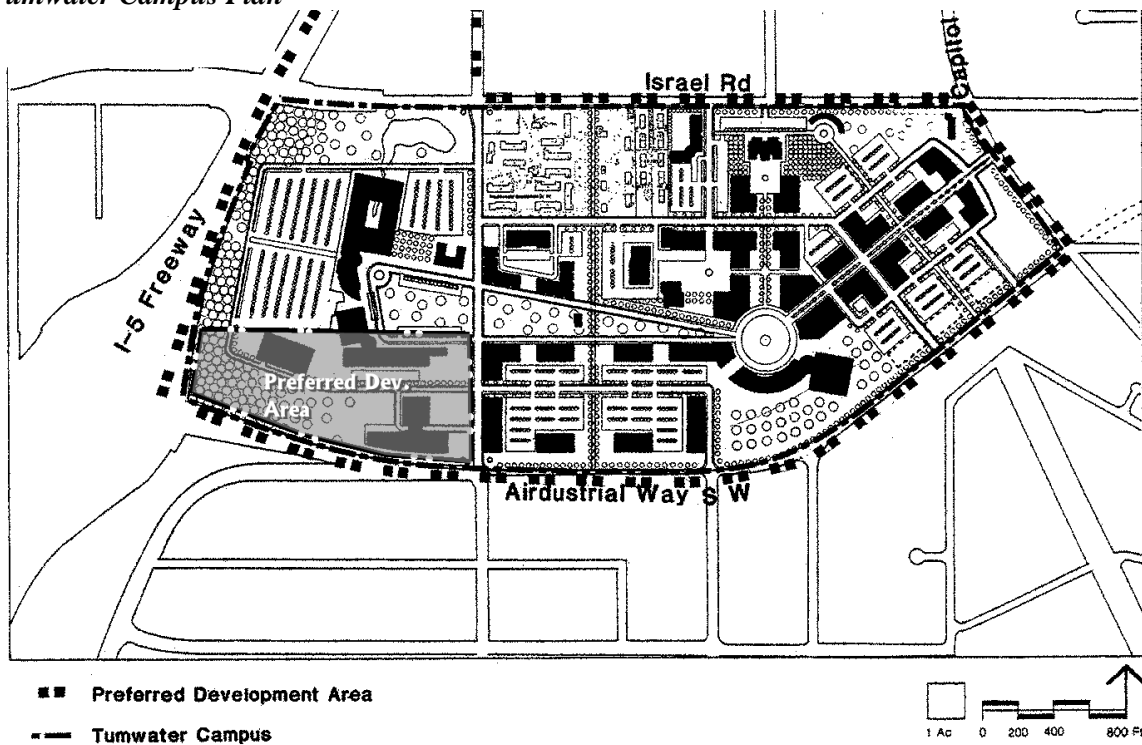
*Lacey Campus Plan*

### 3. *Tumwater Campus*

The Tumwater Campus also developed as an outcome of the 1991 Master Plan for the Capital of the State of Washington. The master planned Tumwater campus consists of approximately 190 acres providing a framework for a mixed-use, urban density, transit-supported community services center, intended to create a “downtown” setting in a growing and emerging community.

The first and only State building developed at the Tumwater campus is the Labor and Industries (L&I) Building. Situated on the western edge of the campus adjacent to Interstate 5 this building provides approximately 412,000 gross square feet of office space with nearly 1,650 surface parking spaces. The balance of the site, nearly 160 acres is planned to accommodate a mix of state offices, private business and offices, housing, and community services including the Tumwater City Hall complex. This study examined a parcel of approximately 21 acres south of the Labor and Industries building and adjacent to Airdustrial Way.

*Tumwater Campus Plan*



## **B. Capitol Campus Sites for the Co-located Transportation Agencies Facility**

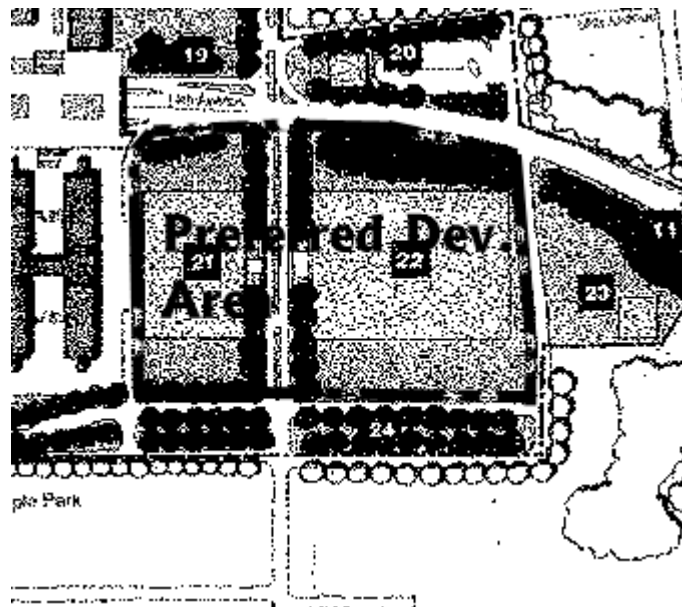
### ***1. Master Plan-defined Facility Sites***

Two sites were identified early in the study effort based on a preliminary examination of the Capitol Campus Master Plan. The two areas as described in the Campus Master Plan graphic included:

**Area 21:** *Washington State Patrol Headquarters – The new Patrol headquarters will be built to integrate with an open-space park east of the Transportation Building (the building has never been built).*

**Area 22:** *General Office Building (post 2010) – A general purpose building with underground parking will be built south of 14<sup>th</sup> Avenue and east of Jefferson Street.*

These sites are highlighted in the graphic below.



The first parcel, referred to as Area 21, measures approximately 2-¼ acres and is located at the southwest corner of 14<sup>th</sup> Avenue and Jefferson Street. Given the limiting opportunities dictated by the site constraints, the site is best suited for a building footprint no larger than 25,000 to 30,000 square feet. Parking would be accommodated in a below-grade ventilated parking structure located beneath the building. After careful review of Capitol Campus Master Plan and the lack of developable acreage, Area 21 was removed from consideration for the new building. Although not a good fit for the proposed building program identified in this study, the site could be developed in concert with Area 22 providing temporary/cost-effective surface parking until a suitable building program is identified for the site.



*Area 21*

The second parcel referred to as Area 22 in the Capitol Campus Master Plan measures approximately 4 acres and is located east of Area 21 on the southeast corner of 14<sup>th</sup> Avenue and Jefferson Street. The site is relatively level and accessible from all four sides. The majority of the site is currently used as a parking lot during Capitol Campus events. The site is well suited for a large building footprint greater than 30,000 square feet. The southern boundary of the site borders adjacent to the future extension of Maple Park, a buffer zone between the East Capitol Campus and the residential neighborhood to the south.



*Area 22*



## **2. *State-defined Development Guidelines and Standards***

The Capitol Campus Master Plan defines development guidelines and standards in three primary headings: Design, Transportation and Facility Development. Given the focus of the study, this section will cover all three components only specifically related to the East Campus and Areas 21 and 22 within the East Campus. Guidelines and standards identified in the Capitol Campus Master Plan include:

- Maintain the identity of the campus by defining the campus boundary, specifically, preserve the existing campus boundary on the south along Maple Park and 15<sup>th</sup> and 16<sup>th</sup> Avenue.
- Use building scale and design at the campus edge to ease the transition into local neighborhoods – protect neighborhoods from the effects of expansion and construction.
- Create a series of people-oriented spaces on the East Campus to encourage pedestrian connections and activities – retain the character of the existing parks along the west side of Jefferson Street.
- Define the edge of campus and create a grand entrance route to the campus from Interstate 5 – improve Jefferson Street with large-scale trees and sidewalks on both sides of the street.
- Maintain Maple Park as a boulevard with a tree-planted median and extend the median strip east of Jefferson Street on 16<sup>th</sup> Avenue to Cherry Street as a distinct edge between campus and residential neighborhoods.
- New buildings on the East Campus should complement the monumentality of the West Campus, but in a manner that reflects the more modern style of architecture on the East Campus.

## **3. *Municipal Development Standards and Review/Permitting Processes***

The Capitol Campus is located within the City of Olympia and is subject to Olympia development standards, and building review and permitting processes.

Zoning for both sites (Area 21 and Area 22) is designated as CSH – Commercial Services High Density District. A variety of office, retail and residential land uses are permitted within this zoning designation, including government/state office buildings. The following development standards apply for this zone:

- Maximum Building Coverage: 70%
- Maximum Building Height: 60 feet for the majority of the property – except for the parcel between 14<sup>th</sup> and 15<sup>th</sup> Avenues east of Jefferson Street where the building height cannot exceed 35 feet.
- Parking Requirements (assuming office use): 1 space/285 gross square feet of building area.

#### **4. Site Analysis**

##### *Development Potentials*

- Both Area 21 and Area 22 are located at the intersection of 14<sup>th</sup> Avenue and Jefferson Street. As indicated in the Capitol Campus Master, this intersection is considered a campus gateway, marking it as a major entry into the Capitol Campus. This offers both sites significant visual identity and vehicular access.
- Vehicular access to Area 22 is easily achieved from Jefferson Street along the west, 16<sup>th</sup> Avenue along the south, and Cherry Street along the east.
- Area 21 has significant potential to connect to the existing Department of Transportation building and the Capitol Campus pedestrian circulation system
- Area 22 contains enough acreage to accommodate the anticipated building program assuming structured parking would be developed to accommodate a significant portion of the parking demand.
- Department of General Administration has identified available unused parking spaces located within the Plaza Garage west of the both sites – a portion of this unused Capitol Campus parking facility could be dedicated to the new building reducing the total number of new parking stall required.

##### *Development Constraints*

- Area 21 does not contain sufficient acreage to accommodate the anticipated building program.
- Area 21 contains significant amount of mature trees and plantings desired by the City of Olympia and is currently utilized as a passive park.
- Area 22 contains a significant number of existing surface parking stalls utilized by the Capitol Campus community during special events. It is anticipated that if lost, these stalls would likely need to be replaced somewhere within the same general vicinity.

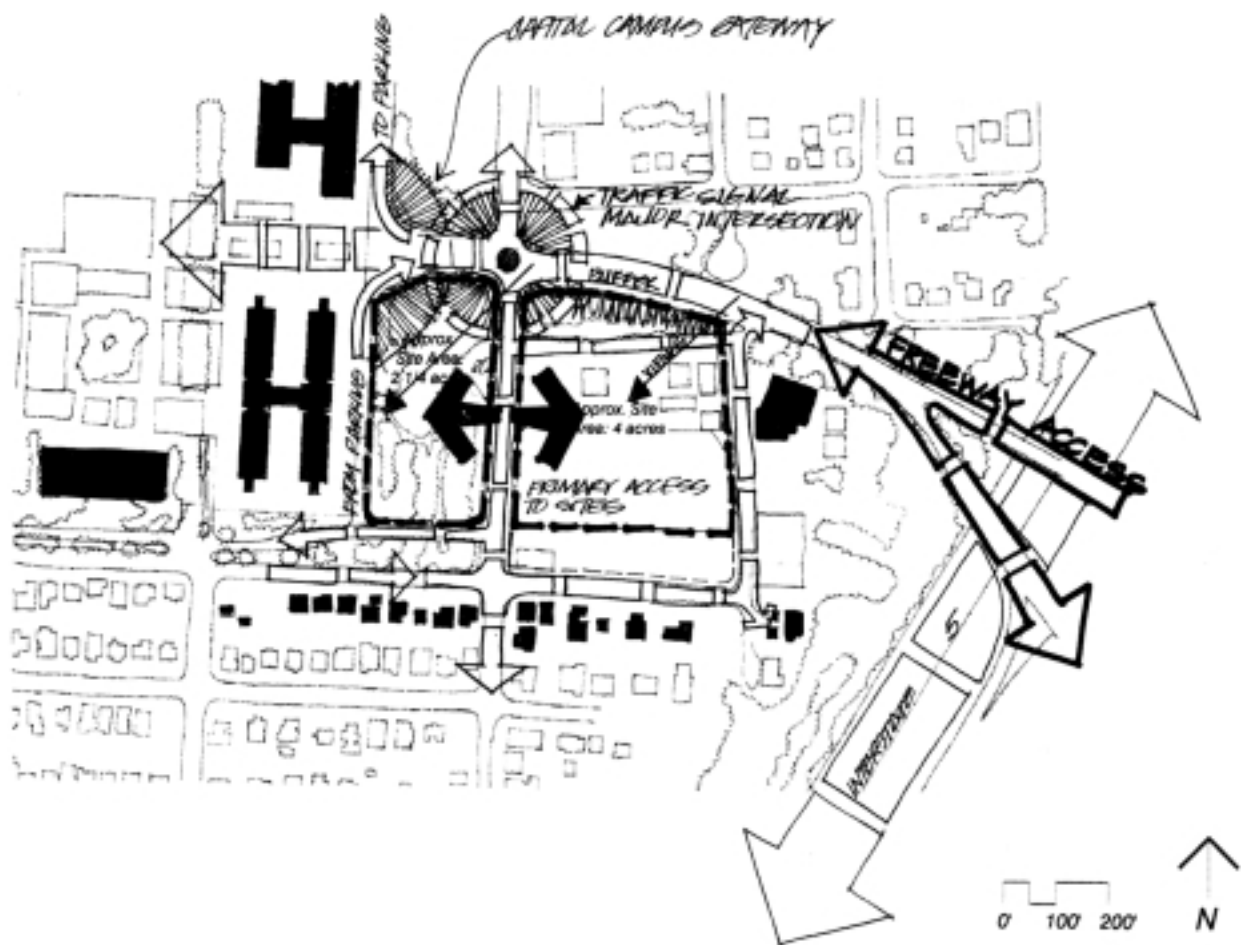


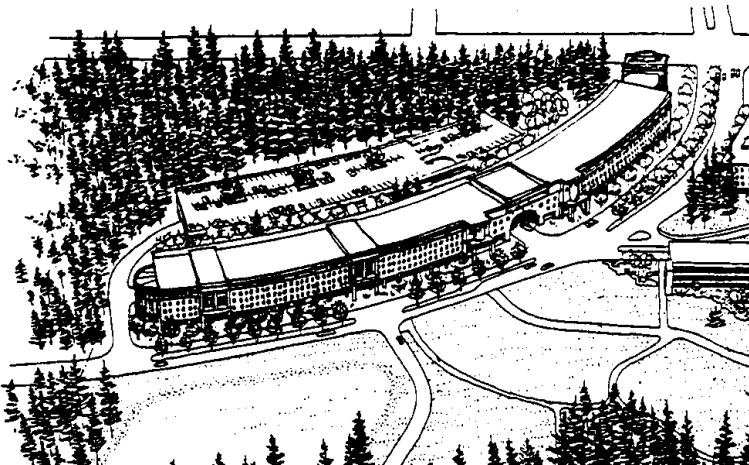
Figure VI-1  
**Capitol Campus Potentials and Constraints**

## C. Lacey Campus Sites for the Co-located Transportation Agencies Facility

### 1. Master Plan-defined Site

The site examined in this study is approximately 15 acres in size and described in the Lacey Campus plan as the West Office Building and Parking Structure. The site includes all areas south of Martin Way and west of Desmond Drive. The southern edge of the site is fairly level with grades falling to the north toward Martin Way. Two small wetlands were identified as part of the Lacey Campus plan, although preservation of the wetlands was not assumed, allowing buildings and parking to be developed within the wetland areas. The Lacey Campus plan describes the development character of the site in the following manner:

*“Two crescent-shaped office buildings providing 440,000 gross square feet of office space. They extend from a gateway lobby at Martin Way sweeping southwest and fronting on Desmond Drive/College Street connection. The buildings vary from five to six stories.”*



*Study Site  
as illustrated in the  
Lacey Campus Plan*

### 2. State-defined Development Guidelines and Standards

The Lacey Campus Master Plan defines development guidelines and standards as “design principles” – an expression of campus goals translated into principles for further design of the plan components. When originally conceived, the Lacey Campus was to be developed as “subarea” of a larger business park referred to as Saint Martin’s Park. Saint Martin’s Park Covenants, Conditions and Restrictions (CCR’s) established specific design guidelines for development within Saint Martin Park, such as street profiles, walkways, and building characteristics such as height, color, materials, etc.

The Lacey Campus Master Plan identified four categories of design principles that at the time were consistent with the City of Lacey’s development regulations. They included:

- Urban Design
- Buildings
- Landscape and Open Space
- Transportation



### *Urban Design*

Urban design includes the relationship between buildings and outdoor spaces. On a large scale, it considers the relationship among the building clusters, wooded areas and meadows, and the neighboring community. Specific urban design principles related to the area, specific to this study effort, included:

- Encourage pedestrian movement among the buildings to the resident agencies support spaces.
- Use buildings to shape new open spaces.
- The West Buildings should be a minimum of three stories in height and not more than six stories above the first floor elevation of the Ecology Headquarters building. Massing should emphasize entry to the campus from the north and west.

### *Buildings*

- Buildings should reinforce streets and open space for easy accessibility and to support pedestrian activity.
- Conservation of natural resources and work environment safety should be basic consideration in the design of all elements of the Lacey Campus.

### *Landscape and Open Space*

- Maintain a strong image of Saint Martin's Park as a natural environment for the campus
- Within the site, maintain use of the forest as a natural buffer between building clusters
- Minimize the visual and physical impacts on the historic open space of Saint Martin's Park
- Create a unified image of the Desmond Drive/College Street Corridor
- Maintain character and function of open space system

### *Transportation*

- Minimize total parking and land consumed for parking.

### **3. *Municipal Development Standards and Review/Permitting Processes***

The Lacey Campus is located within the City of Lacey and is subject to Lacey design and development standards, and building review and permitting processes.

Zoning of the entire Lacey campus including the 15 acres site is designated as CBD-7. Typical uses within this zoning district include business parks, mixed use, office, and public facilities. The following development standards apply for this zone:

- Maximum Building Coverage: 50%
- Maximum Building Height: 80 feet
- FAR: Basic = 1.0, Maximum = 3.0 (maximum requires developer to provide some pedestrian/public amenities)
- Parking Requirements (assuming office use): Minimum – 3 spaces/1,200 gsf, Maximum – 6 spaces/1,200 gsf

### **4. *Site Analysis***

#### *Development Potentials*

- 15-acre site identified contains enough acreage to accommodate the anticipated building program assuming structured parking would be developed adjacent to new building.
- The site is forested and would provide an attractive environment/setting for the new building.
- Easy access to Martin Way, Desmond Drive and the future College Street Connection.
- If desired, site provides for clear and direct pedestrian connection/linkage to Ecology Headquarters building.

#### *Development Constraints*

- Two wetlands have been identified on site; wetland mitigation would be required if filled.
- Site slopes to north – requires building footprint to step down slope toward Martin Way.
- Majority of on-site parking would require development of a partially below grade parking structure – Site provides little opportunity for surface parking.
- Visibility (if desired) from Martin Way is limited due to natural vegetation buffer.
- Limited flexibility in building orientation due to limited site acreage and existing and future extension of Desmond Drive/College Street Connection.

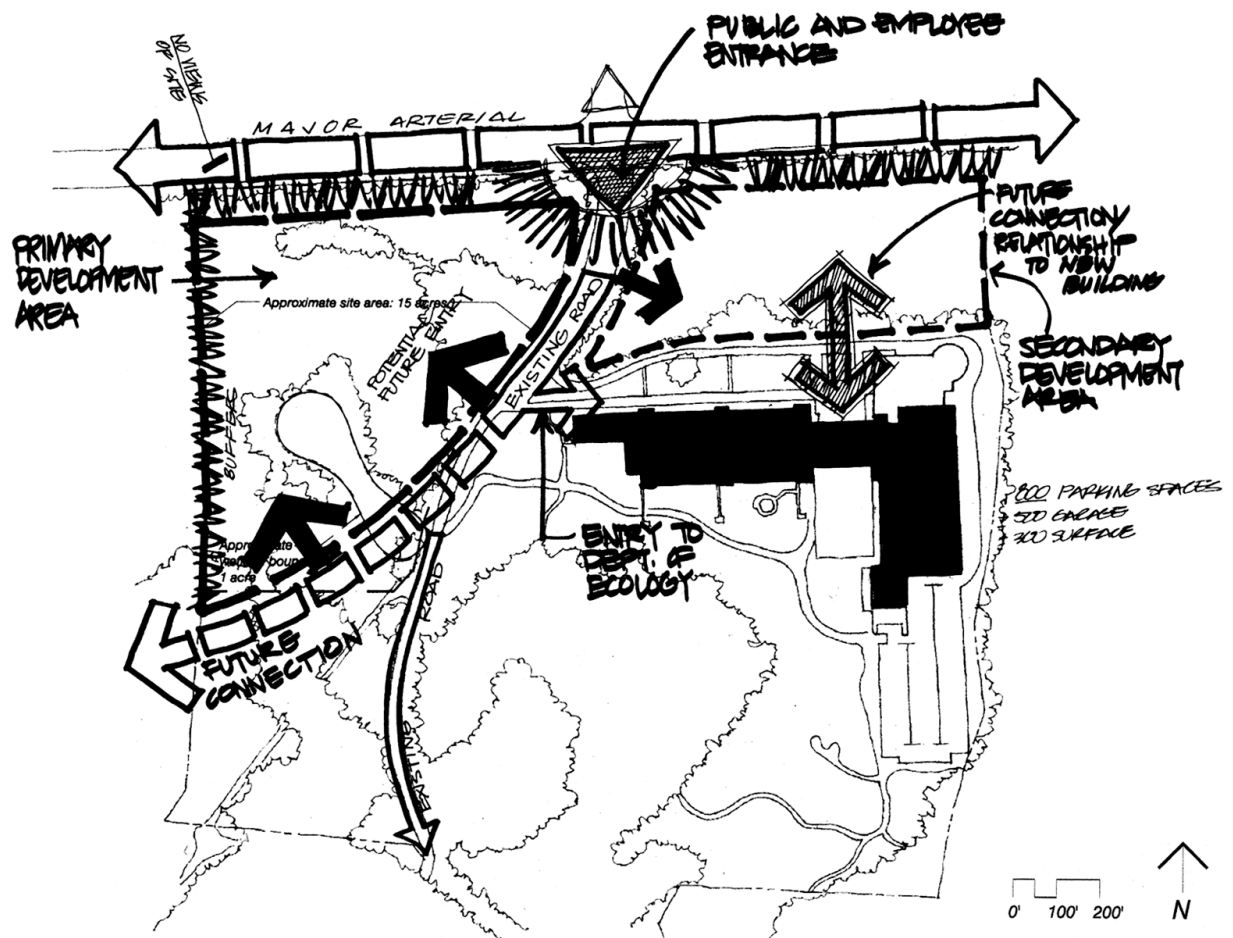


Figure VI-2  
Lacey Campus Potentials and Constraints

## **D. Tumwater Campus Sites for the Co-located Transportation Agencies Facility**

### ***1. Master Plan-Defined Facility Sites***

The site identified within the Tumwater Campus is a parcel measuring approximately 21 acres, located south of the Labor and Industries building. The site is situated on the western edge of the Tumwater Campus adjacent to Interstate 5 and Airdustrial Way. The site is relatively flat and void of significant vegetation except for an area along the southwest corner of the parcel which supports a tall stand of evergreen trees. Vehicular access could be achieved from the south along Airdustrial Way but as described in the Tumwater Campus Plan, site access would likely occur from the east along Center Street SW.

The site is in close proximity to the Labor and Industries building and could share in some of the existing functions such as parking facilities, meeting rooms, cafeteria, transit center and outdoor/open space amenities.



*Site as seen from the  
Labor and Industries Building*

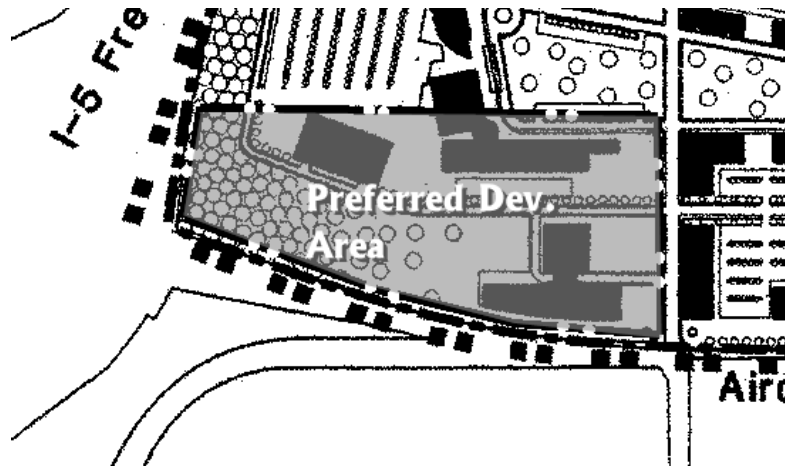
### ***2. State-Defined Development Guidelines and Standards***

The Tumwater Campus Master Plan identifies the study site including the entire western edge of the campus as Area One – one of eight campus zones. Each Area is unique in the way buildings are envisioned including use, placement, height, parking, and overall character. The following text, taken from the Master Plan document describes some of these characteristics.

## Area 1

### *Intent*

The design goals of this area are to appropriately distinguish key state facilities, to “anchor” the western end of the *Triangle* open space, and to provide visibility and image to the Tumwater Campus from Interstate 5.



### *Use*

State facilities, and a contingent private use, as discussed below.

#### *Placement*

- Setbacks of buildings from the Triangle roadway edge shall be a maximum of ten feet.
- Placement of buildings within the Triangle should provide significant enclosure and definition of the edge of the Triangle open space.
- Building elevations shall front no less than eighty percent of the property line facing the Triangle.
- Parking structures shall be placed between the occupied buildings and the boundary buffer road.
- Space between buildings should be made such that they can support a variety of public uses, such as park or garden space, plazas or courtyards.

#### *Height*

- Building height for Area 1 shall be a minimum of forty-five feet and a maximum of eighty-five feet.

#### *Parking*

- (Future) structured parking is required to accommodate the majority of additional parking needs in this area.
- Design of large, unbroken expanses of parking shall be avoided.
- Parking structures shall be located at the rear of any new structures.

#### *Character*

- Facades onto the Triangle shall promote an urban character.
- Building materials such as brick, masonry, glass, stone or wood is required on the building facade.

### **3. *Municipal Development Standards and Review Permitting Processes***

The Tumwater Campus is located in the City of Tumwater and is subject to Tumwater design and development standards, building review and permitting processes.

The large site area is divided into two zoning classifications. The first, approximately 30 acres site occupied by the Labor and Industries building and related parking is zoned CS – Community Service. The second area, specifically the 21 acre site proposed in this study is zoned ARI – Airport Related Industrial. Both zones allow office use, although it is assumed in this study that the 21 acres site would likely be re-zoned to the CS classification providing the west end of the Tumwater Campus to become consistent with the current adopted Comprehensive Plan with the requisite change in zoning, the following standards would apply to the site:

- Maximum Building Coverage: No maximum identified
- Maximum Building Height: 85 Feet
- Parking Requirements: 1 space/285 gross square feet of building area

### **4. *Site Analysis***

#### *Development Potentials*

- The 21-acre site contains sufficient area to accommodate the anticipate building and parking program – appropriately placed the new building does not preclude the opportunity for future building or parking structure development on the site as identified on the Tumwater Campus Master Plan.
- Given the opportunity to share a portion of the parking program with the existing surface lot developed as part of the L&I building, no structured parking at this time is required on site.
- The site has very good freeway and arterial vehicular access.
- Existing evergreen trees along the west and south portions of the site provide a natural landscape buffer from the freeway.
- The site has good visibility from both the freeway and Airdustrial Way to the south.
- Development of a new building at the site provides a significant opportunity to develop a new gateway intersection at Airdustrial Way and Center Street.
- Given the orientation and placement of the L&I building, the site provides an opportunity for the new building to relate to the existing L&I building more as a set of building clusters than independent buildings surrounded by surface parking lots.

#### *Development Constraints*

- Previous development, specifically the L&I building concluded that the ground water table is only a few feet below grade in the area. It is likely that a de-watering system would be required during construction and likely during the life of the building.
- Site re-zoning is likely required, although the City Comprehensive Plan is consistent with development of the site as a state office building.
- Existing tank farm located east of the site provides an unattractive view/setting of the area.

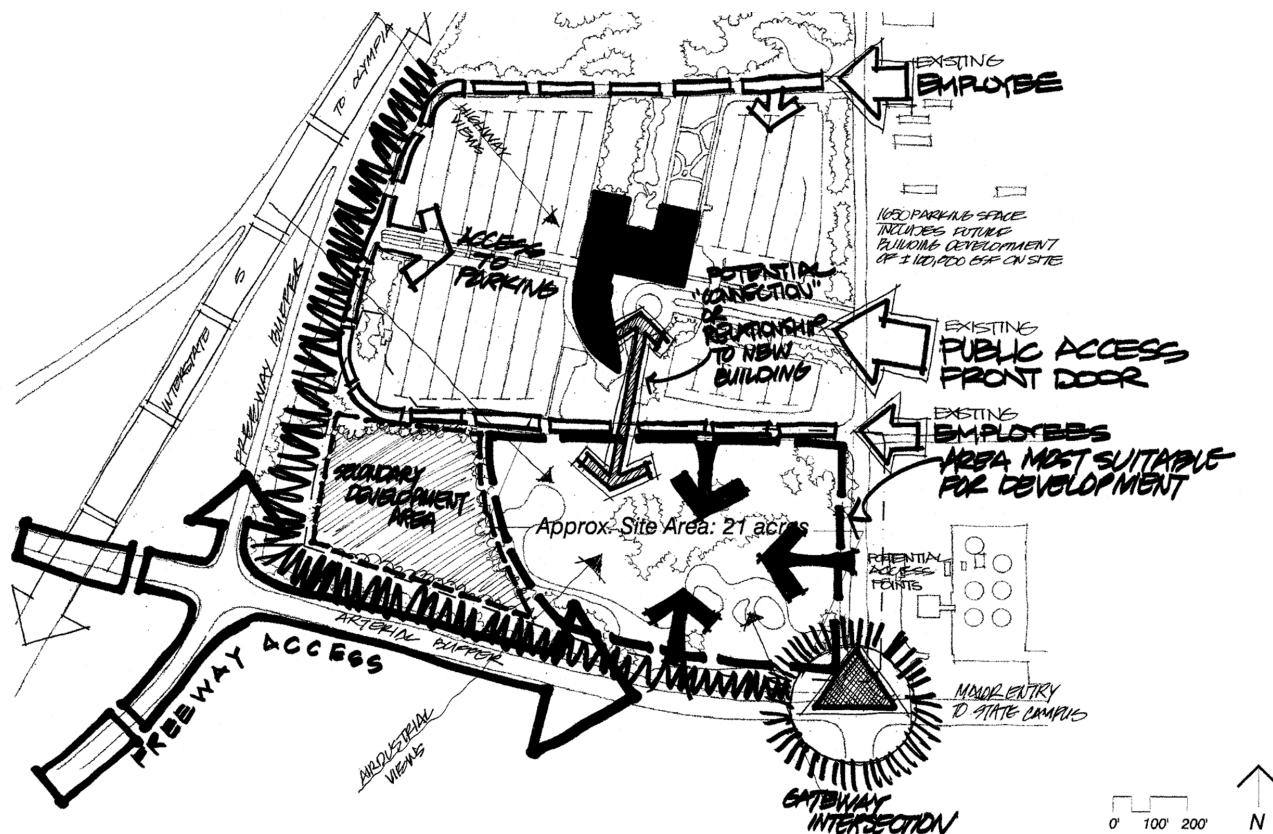


Figure VI-3  
Tumwater Campus Potentials and Constraints

## **VII. Development Options**

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## VII. DEVELOPMENT OPTIONS

The array of site-specific development concepts was compiled based on:

- Agency-specific functional and space program forecasts, parking requirements and transportation management goals.
- Development precepts and definition of a non-monumental office building of long term cost-effectiveness.
- Development potentials and constraints for each of the three candidate sites including jurisdiction-specific parking ordinances.
- Approved Master Plans for the three capitol campuses.

The six physical concepts are as follows:

Option 1 - Tumwater	(Surface Parking)
Option 2 - Tumwater	(Blend of Surface and Structured Parking)
Option 3 - Tumwater	(Structured Parking)
Option 4 - Olympia	(Structured Parking Below Building)
Option 5 - Olympia	(Structured Parking Adjacent Lot)
Option 6 - Lacey	(Structured Parking)

A summary of the major development parameters for the proposed 374,000 gross square foot Transportation Agencies Building is as follows.

<b>Option/Location</b>	<b>Building Height</b>	<b>Total Parking</b>	<b>Existing Parking Used</b>	<b>Surface Parking to be Built</b>	<b>Structured Parking to be Built</b>
Option 1 - Tumwater	6	1,246	150	1,096	0
Option 2 - Tumwater	6	1,246	150	396	700
Option 3 - Tumwater	6	1,246	150	120	976
Option 4 - Olympia	4	1,246	200	0	1,046
Option 5 - Olympia	4	1,246	200	0	1,046
Option 6 - Lacey	5	1,720	0	85	1,635

The following pages provide detailed descriptions of each option.

### Option 1 – Tumwater: All Surface Parking

This option proposes all surface parking as described below. As indicated, the Transportation Agencies Building is adjacent to L&I and is prototypically defined as a six-story building. The new development would require 946 new surface parking spaces and make use of approximately 150 existing parking spaces in the L&I complex.

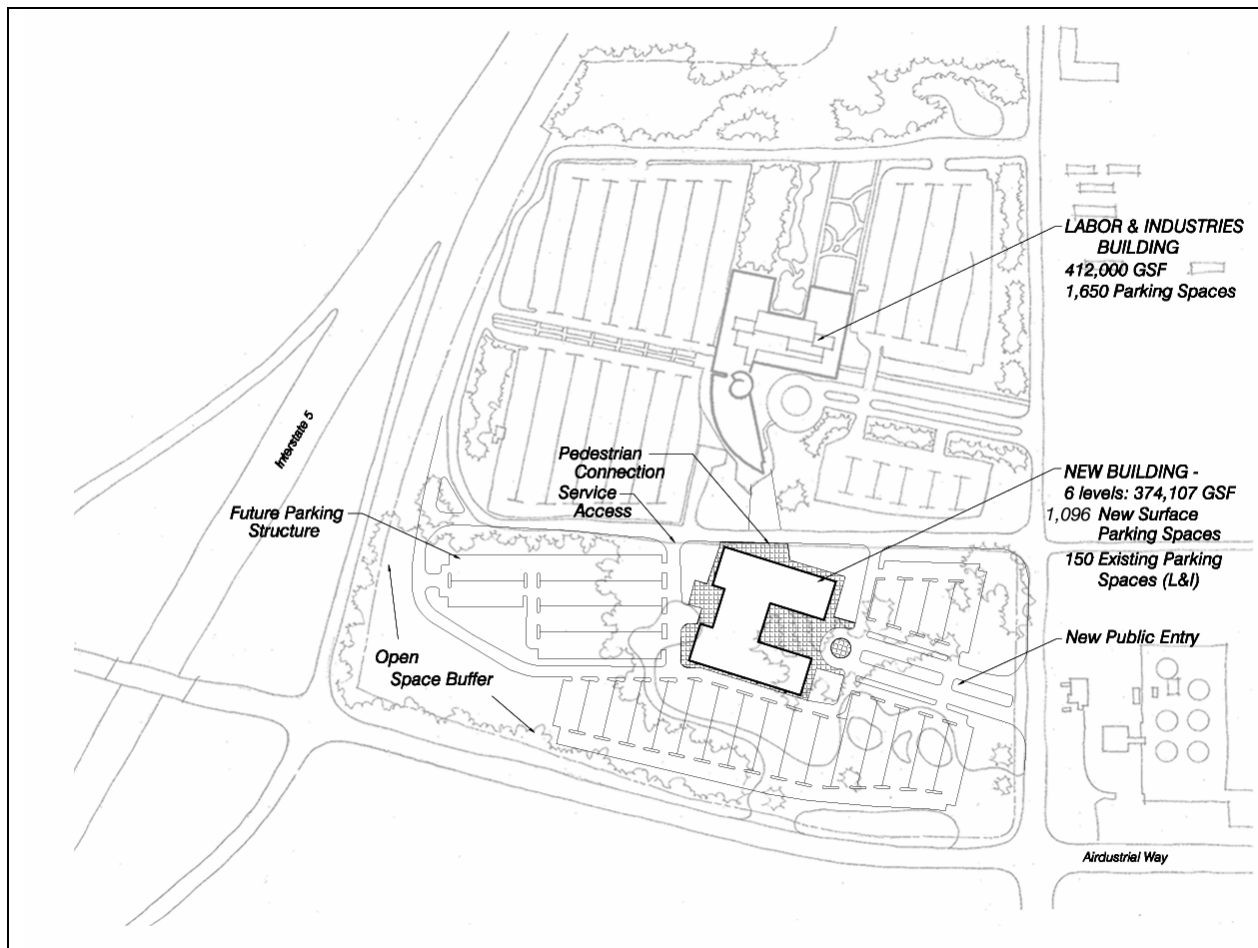


Figure VII-1

### Option 1 – Tumwater: All Surface Parking

This option employs all surface parking located around the proposed office building. This option requires the maximum amount of paved area and the most significant associated stormwater treatment system. It is unlikely that existing stand of evergreen trees can be preserved in this option.

### 15% Trip Reduction

1 stall/285 gsf		1,313
Trip Reduction	15%	197
Visitor Parking	130	130
Existing Parking at L&I	150	<u>150</u>

<b>Total Required Spaces</b>	<b>1,096</b>
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The estimates for the on- and off-site improvements are based on our team's on-site reviews, discussions with the City of Tumwater, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the Facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C. A cost premium of \$5 per gross square foot has been added for Tumwater development options, reflecting the higher costs (elevators, structural upgrade) for constructing a six-story building. The C-100 for this option is provided in Appendix C.

## Option 2 – Tumwater: Blend of Surface and Structured Parking

This option proposes a blend of surface and structured parking as described below. The Transportation Agencies Building is adjacent to L&I, and is prototypically defined as a six-story building. The new development would require 946 new parking spaces and make use of approximately 150 existing parking space in the L&I complex.

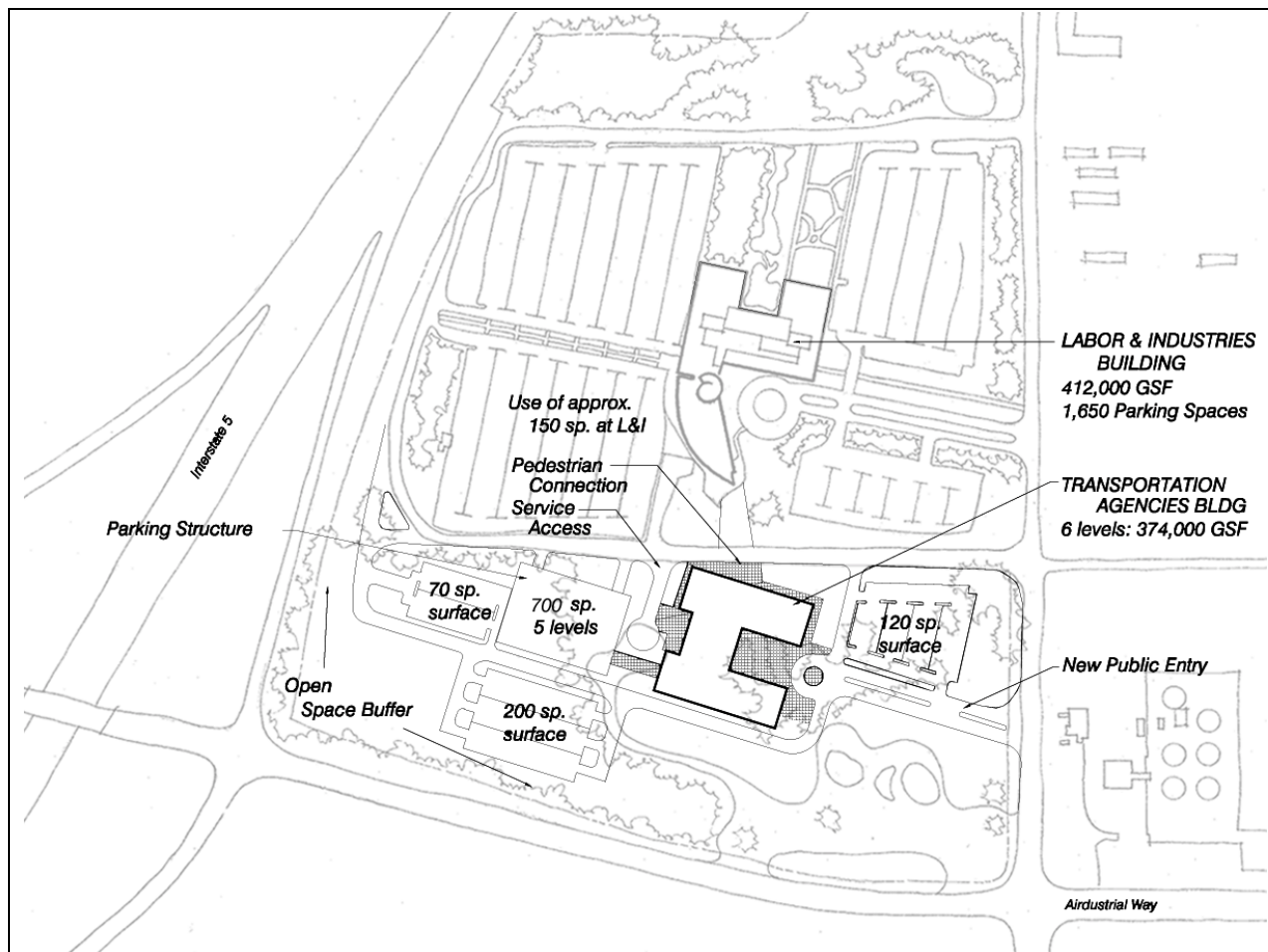


Figure VII-2

## Option 2 – Tumwater: Blend of Surface and Structured Parking

### ***Parking Strategy for Option 2***

This option is a blend of surface and structured parking. A 5-level parking structure for 700 cars is located just west of the proposed office building; the balance of the parking is provided in surface lots. This option requires a moderate amount of paved area and stormwater treatment. It appears likely that a large portion of existing stand of evergreen trees could be preserved in this option.

The Maximum Allowable Construction Cost (MACC) for Option 2 stated in 1999 dollars is \$58,300,000 and the escalated value is \$64,574,000 as detailed in Table VII-1, Tumwater Development Cost Summary. In addition, off-site improvements of \$1,750,000 are estimated for development on the Tumwater site.

The estimates for on- and off-site improvements are based on our team's on-site reviews, discussions with the City of Tumwater, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the Facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C. A cost premium of \$5 per gross square foot has been added for Tumwater development options, reflecting the higher costs (elevators, structural upgrade) for constructing a six-story building. The C-100 for this option is provided in Appendix C.

In the aggregate, this Option (2) is approximately \$7 million more than Option 1, with the major difference being the additional \$8 million cost of structured parking only partially off-set by small reductions in the site improvement costs in comparison to the surface parking-intensive first option.

### Option 3 – Tumwater: All Structured Parking

This option provides all structured parking as described in the following graphic. As indicated the Transportation Agencies Building is adjacent to L&I, and is prototypically defined as a six-story building. The new development would require 946 new parking spaces and make use of 150 existing parking space in the L&I complex.

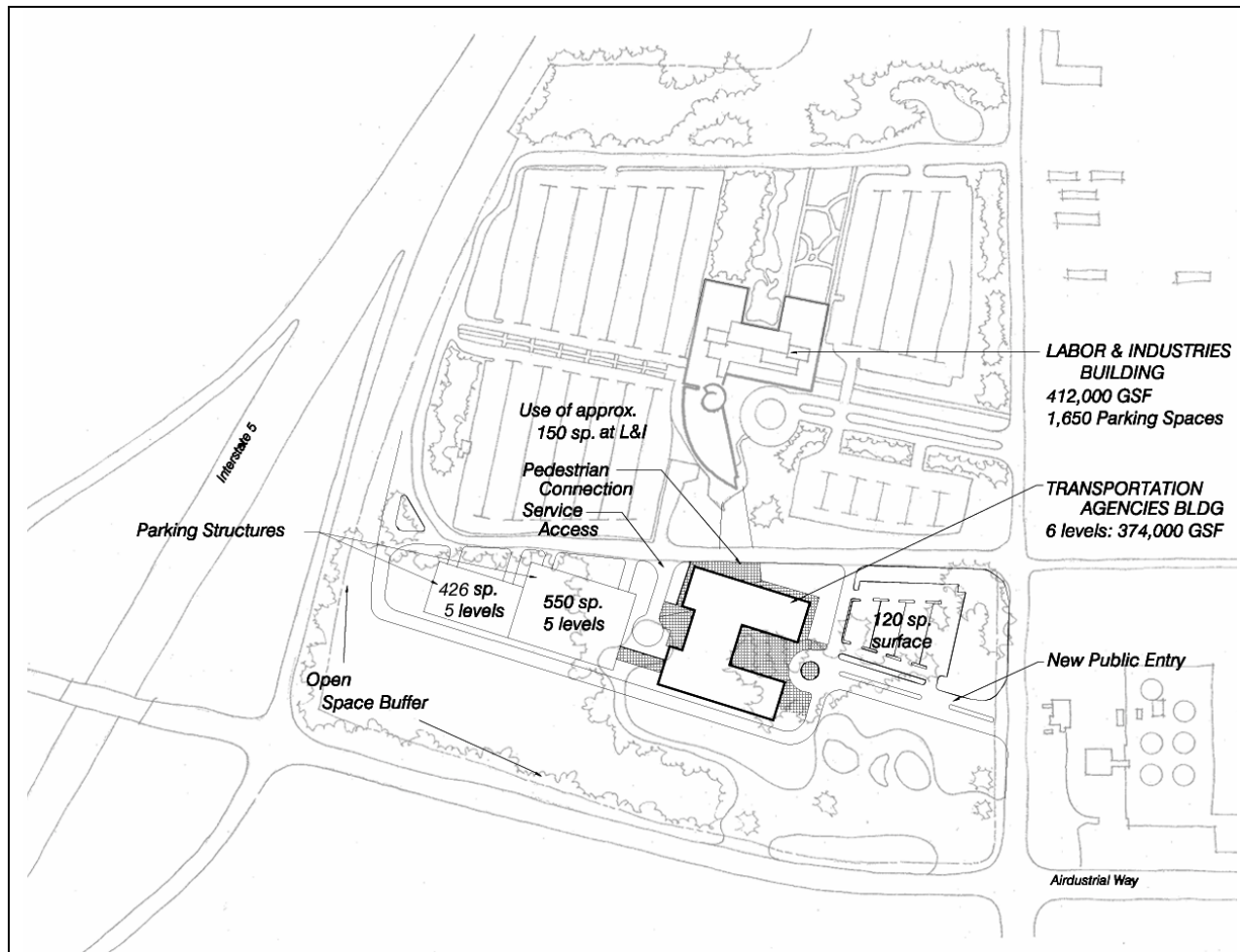


Figure VII-3

### Option 3 – Tumwater: All Structured Parking

### ***Parking Strategy for Option 3***

This alternative is primarily structured parking. A 5-level parking structure for 550 cars and a 5-level structure for 426 cars are located just west of the proposed office building. A surface lot of 120 spaces, primarily for visitors, remains near the front entrance. This option retains the greatest portion of the existing stand of evergreen trees and requires the least amount of paved area and associated stormwater treatment system.

The Maximum Allowable Construction Cost (MACC) for Option 3 stated in 1999 dollars is \$61,141,000 and the escalated value is \$67,719,000 as detailed in Table VII-1, Tumwater Development Cost Summary. In addition, off-site improvements of \$1,750,000 are estimated for development on the Tumwater site.

The estimates for the first five cost categories are based on our team's on-site reviews, discussions with the City of Tumwater, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the Facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C as well as the C-100 for this option. . A cost premium of \$5 per gross square foot has been added for Tumwater development options, reflecting the higher costs (elevators, structural upgrade) for constructing a six-story building.

In the aggregate, this Option (3) is approximately \$3 million more than Option 2. The major cost difference is the additional \$3.4 million cost involved in all structured parking only partially off-set by small reductions in the site improvement costs in comparison to the blend of surface parking and structured parking in the second option.

Table VII-1  
**Tumwater Development Cost Summary: Options 1, 2 and 3**

	Option 1				Option 2				Option 3			
	<i>Tumwater All Surface Parking</i>				<i>Tumwater Blend of Surface &amp; Structured Parking</i>				<i>Tumwater All Structured</i>			
	Qty.	Unit	Unit Price	Total	Qty.	Unit	Unit Price	Total	Qty.	Unit	Unit Price	Total
<b>Site Area</b>	21	ac			21	Ac			21	ac		
<b>Site Preparation</b>												
Demolition	805,860	sf	\$1	\$805,860	675,180	Sf	\$1	\$675,180	588,060	sf	\$1	\$588,060
Clearing	30,000	cy	\$15	\$450,000	25,000	Cy	\$15	\$375,000	22,000	cy	\$15	\$330,000
Grading/Fill												
Wetland Mitigation												
Other Mitigation												
<b>Site Prep Subtotal</b>				<b>\$1,255,860</b>				<b>\$1,050,180</b>				<b>\$918,060</b>
<b>Site Utilities-On Site</b>	Allowance			\$500,000	allowance			\$500,000	allowance			\$500,000
<b>Off-Site Improvements</b>												
Roadways	Allowance			\$1,500,000	allowance			\$1,500,000	allowance			\$1,500,000
Utility Extension	Allowance			\$250,000	allowance			\$250,000	allowance			\$250,000
<b>Off-Site Improvements Subtotal</b>				<b>\$1,750,000</b>				<b>\$1,750,000</b>				<b>\$1,750,000</b>
<b>Site Improvements</b>												
Roads	86,800	sf	\$6	\$520,800	86,800	Sf	\$6	\$520,800	86,800	sf	\$6	\$520,800
Building Entry Plaza	25,000	sf	\$15	\$375,000	25,000	Sf	\$15	\$375,000	25,000	sf	\$15	\$375,000
Walkways	20,756	sf	\$6	\$124,536	20,756	Sf	\$6	\$124,536	20,756	sf	\$6	\$124,536
Surface Parking	383,600	sf	\$5	\$1,918,000	136,500	Sf	\$5	\$682,500	42,000	sf	\$5	\$210,000
Landscaping	231,404	sf	\$2	\$462,808	347,824	Sf	\$2	\$695,648	355,204	sf	\$2	\$710,408
<b>Site Improvements Subtotal</b>				<b>\$3,276,608</b>				<b>\$2,398,484</b>				<b>\$1,940,744</b>
<b>Buildings</b>												
Building Shell & Core	374,107	sf	\$69	\$25,813,383	374,107	Sf	\$69	\$25,813,383	374,107	sf	\$69	\$25,813,383
High rise premium	374,107	sf	\$5	\$1,870,535	374,107	Sf	\$5	\$1,870,535	374,107	sf	\$5	\$1,870,535
Interior Finish Out	374,107	sf	\$50	\$18,705,350	374,107	Sf	\$50	\$18,705,350	374,107	sf	\$50	\$18,705,350
Parking Structures					227,500	Sf	\$35	\$7,962,500	325,500	sf	\$35	\$11,392,500
					700 sp.				976 sp.			
<b>Buildings Subtotal</b>				<b>\$46,389,268</b>				<b>\$54,351,768</b>				<b>\$57,781,768</b>
<b>MACC (excluding off-site)</b>				<b>\$51,421,736</b>				<b>\$58,300,432</b>				<b>\$61,140,572</b>
<b>MACC Escalated to mid-point of construction</b>				<b>\$56,955,000</b>				<b>\$64,574,000</b>				<b>\$67,719,000</b>



#### Option 4 – Olympia: All Structured Parking Below Building

This option provides structured parking below the proposed office building as described in the following graphic. As indicated, the Transportation Agencies Building is located on the site designated as Area 22 in the Capitol Campus Master Plan. It is defined as a 4-story building. The new development would require 1,046 new parking spaces in addition to 200 available parking spaces in the Plaza Garage.

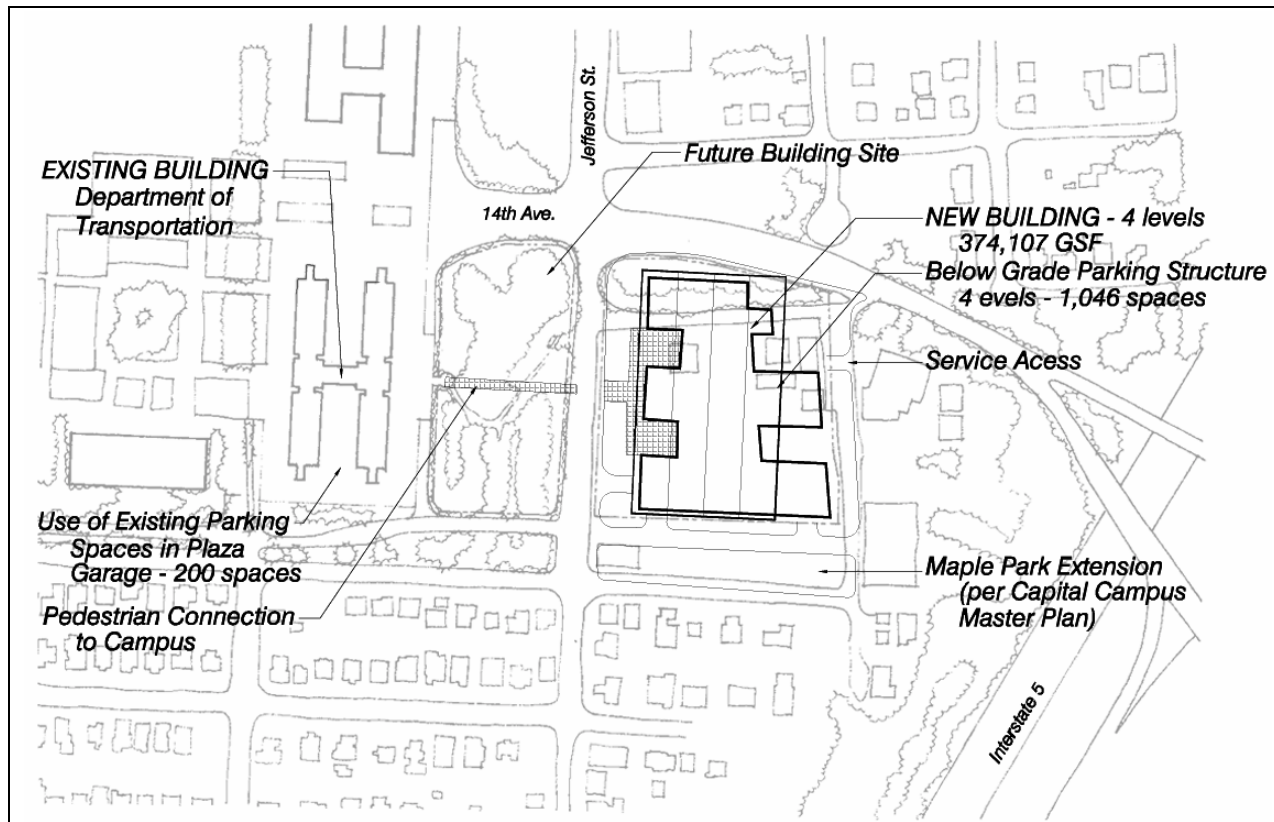


Figure VII-4

#### Option 4 – Olympia: All Structured Parking Below Building

### ***Parking Strategy for Option 4***

This option provides 1,046 underground parking spaces on 4 levels beneath the proposed building. No development is proposed for Area 21 in this option. A pedestrian connection to the DOT office building is provided across Area 21.

#### **Capitol Campus Parking Strategy**

##### **15% Trip Reduction**

1 stall/285 gsf		1,313
Less 10%		0
Trip Reduction	15%	197
Visitor Parking	130	130
Existing Parking at Plaza Garage	200	<u>200</u>
<b>Total Required Spaces</b>		<b>1,046</b>

The Maximum Allowable Construction Cost (MACC) for Option 4 stated in 1999 dollars is \$66,548,000 and the escalated value is \$73,708,000, as detailed in Table VII-2, Olympia Development Cost Summary. In addition, off-site improvements of \$750,000 are estimated for development on the Olympia site, representing allowances for road improvements and utility extensions.

The estimates for on- and off-site improvements are based on our team's on-site reviews, discussions with the City of Olympia, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the Facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C as well as the C-100 for this option.

In the aggregate, this Option (4) is approximately \$5 million more than the most costly Tumwater Option (3). The major cost difference is the additional \$9 million cost involved in all structured parking only partially off-set by reductions in the site preparation and improvement costs because of the development-readiness of the Olympia site in comparison to the Tumwater site.

### Option 5 – Olympia: All Structured Parking on Adjacent Site

This option provides structured parking above grade at Area 21 as described in the following graphic. As indicated the Transportation Agencies Building is located on the site designated as Area 22 in the Capitol Campus Master Plan. It is defined as a 4-story building. The new development would require 1,046 new parking spaces in addition to 200 available parking spaces in the Plaza Garage.

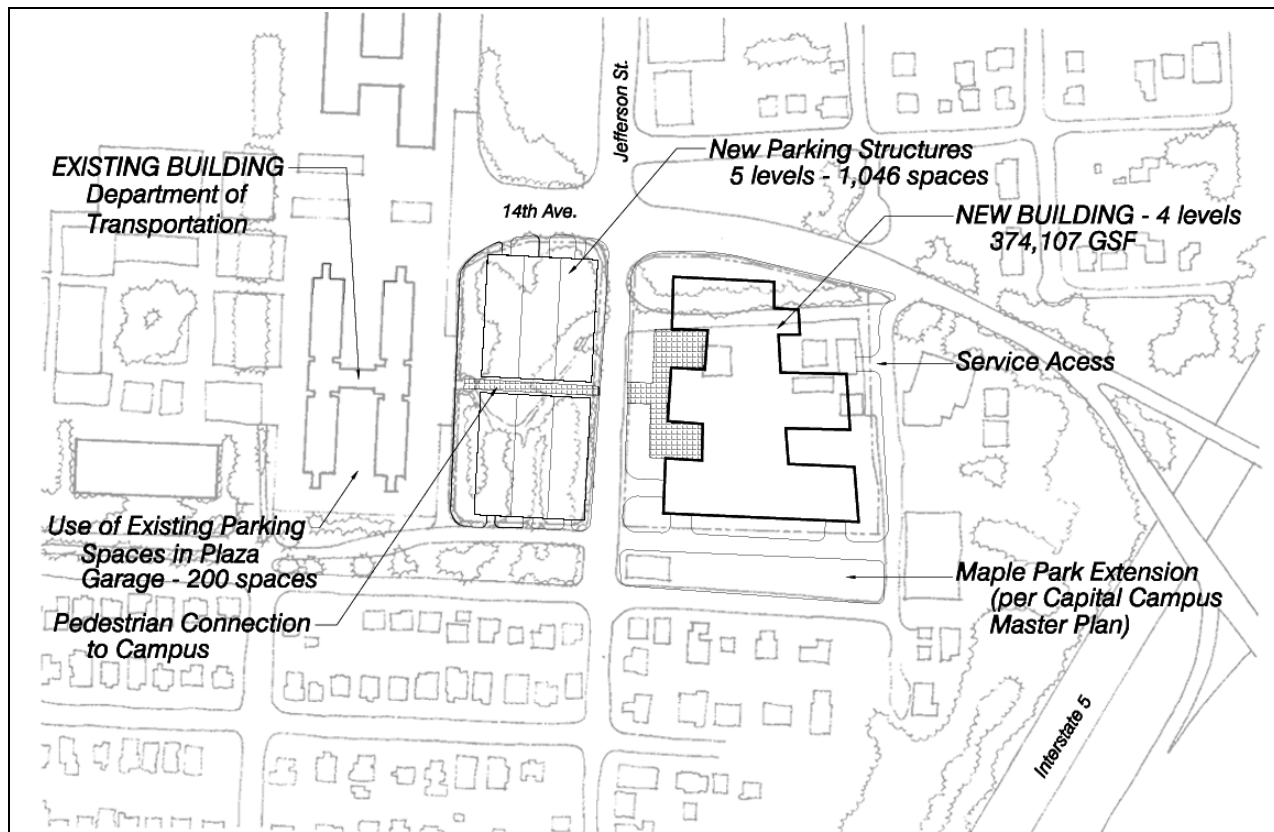


Figure VII-5

### Option 5 – Olympia: All Structured Parking on Adjacent Site

### ***Parking Strategy for Option 5***

This option provides 1,046 above ground parking spaces on 5 levels across the Jefferson Street from the proposed building, at Area 21. The existing green space at Area 21 would be displaced by this option. A pedestrian connection to the DOT office building is provided across Area 21. No underground parking is proposed in this option.

The Maximum Allowable Construction Cost (MACC) for Option 5 stated in 1999 dollars is \$58,760,000 and the escalated value is \$65,082,000 as detailed in Table VII-2, Olympia Development Cost Summary. In addition, off-site improvements of \$750,000 are estimated for development on the Olympia site.

The estimates for on- and off-site improvements are based on our team's on-site reviews, discussions with the City of Olympia, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the Facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C. The C-100 for this option is also provided in Appendix C.

In the aggregate, this Option (5) is approximately \$8 million less costly than the other Olympia option (4). The major cost difference is the fact that developing the structured parking on the adjacent site (Option 5) as opposed to under the building (Option 4).

Table VII-2  
**Olympia Development Cost Summary: Options 4 and 5**

	Option 4				Option 5			
	<i>Olympia-all parking under building./ none across street</i>				<i>Olympia-all parking in structure on adjacent site</i>			
	Qty.	Unit	Unit Price	Total	Qty.	Unit	Unit Price	Total
<b>Site Area</b>	4.00	ac			6.25	ac		
<b>Site Preparation</b>								
Demolition - site	150,000	sf	\$0.50	\$75,000	150,000	sf	\$0.50	\$75,000
Demolition - buildings	13,000	sf	\$5	\$65,000	13,000	sf	\$5	\$65,000
Clearing	0	sf	\$0	\$0	100,000	sf	\$0.50	\$50,000
Grading/Fill	4,000	cy	\$15	\$60,000	500	cy	\$15	\$7,500
Wetland Mitigation								
Other Mitigation								
<b>Site Prep Subtotal</b>				<b>\$200,000</b>				<b>\$197,500</b>
<b>Site Utilities-On Site</b>	allowance			\$500,000	allowance			\$500,000
<b>Off-Site Improvements</b>								
Roadways	allowance			\$500,000	allowance			\$500,000
Utility Extension	allowance			\$250,000	allowance			\$250,000
<b>Off-Site Improvements Subtotal</b>				<b>\$750,000</b>				<b>\$750,000</b>
<b>Site Improvements</b>								
Roads	16,500	sf	\$6	\$99,000	16,500	sf	\$6	\$99,000
Building Entry Plaza	10,000	sf	\$15	\$150,000	10,000	sf	\$15	\$150,000
Walkways	10,000	sf	\$6	\$60,000	10,000	sf	\$6	\$60,000
Surface Parking	0	sf	\$5	\$0	0	sf	\$5	\$0
Landscaping	77,213	sf	\$4	\$308,852	105,223	sf	\$4	\$420,892
<b>Site Improvements Subtotal</b>				<b>\$617,852</b>				<b>\$729,892</b>
<b>Buildings</b>								
Building Shell & Core	374,107	sf	\$69	\$25,813,383	374,107	sf	\$69	\$25,813,383
High rise premium								
Interior Finish Out	374,107	sf	\$50	\$18,705,350	374,107	sf	\$50	\$18,705,350
Parking Structures	376,560	sf	\$55	\$20,710,800	366,100	sf	\$35	\$12,813,500
	1,046 sp.				1,046 sp.			
<b>Buildings Subtotal</b>				<b>\$65,229,533</b>				<b>\$57,332,233</b>
<b>MACC (Excluding off-site)</b>				<b>\$66,547,385</b>				<b>\$58,759,625</b>
<b>MACC Escalated to mid-point of construction</b>				<b>\$73,708,000</b>				<b>\$65,082,000</b>

### Option 6 – Lacey: All Structured Parking

This option provides an office building that fronts Desmond Drive, with structured parking tucked into the hillside behind. A buffer of existing trees would be maintained along Martin Way and Desmond Drive would be connected to City Hall at 3<sup>rd</sup> Avenue as part of the development. The natural environment of Saint Martin's Park is maintained and enhanced by placing development close to Martin Way, as designated in the Master Plan. The proposed building is 5 levels in height and the parking structure is 6 levels in height.

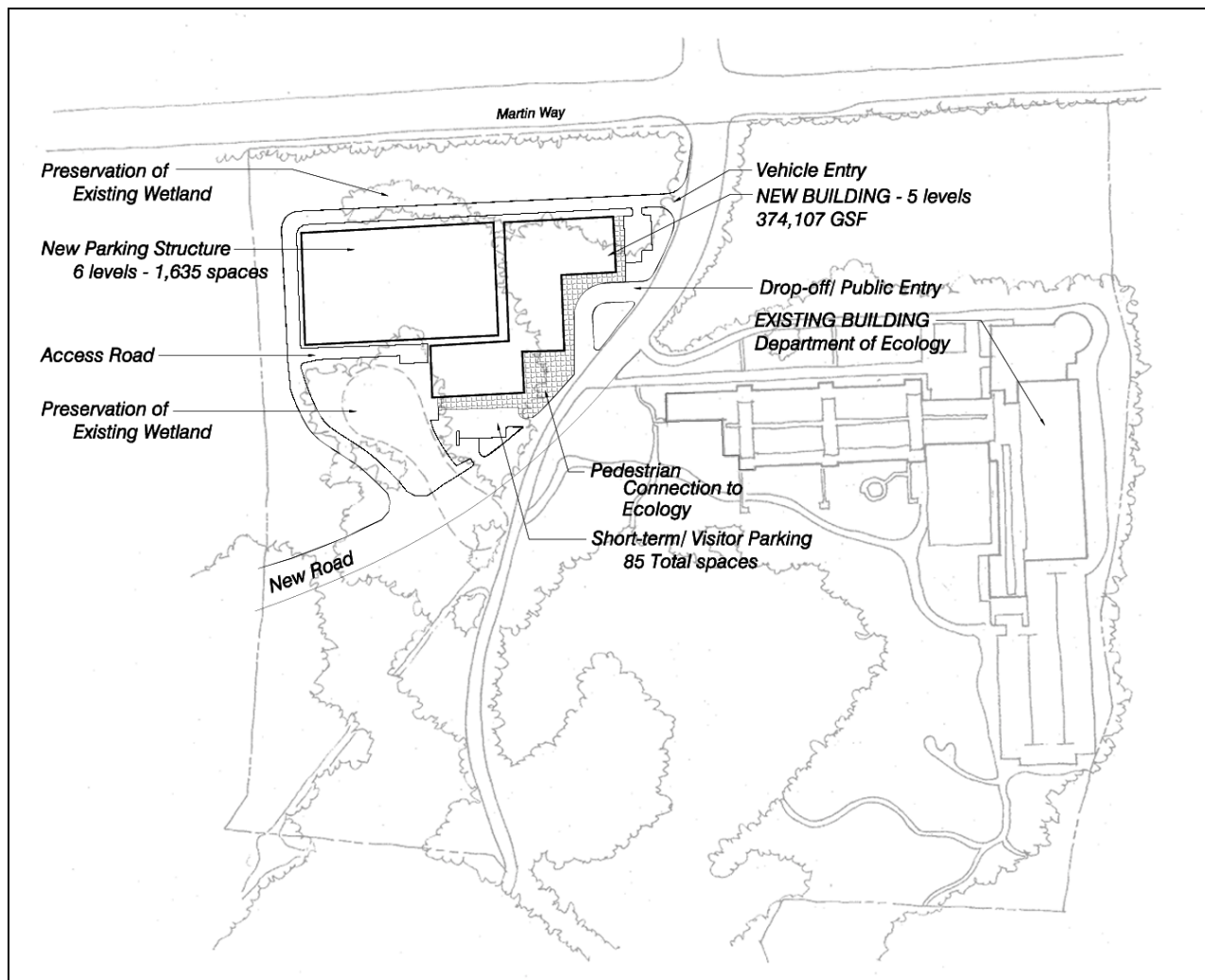


Figure VII-6

### Option 6 – Lacey: All Structured Parking

### ***Parking Strategy for Option 6***

The City of Lacey requires one parking stall per 200 gsf of office space as outlined in following table. The majority of the proposed parking is captured in a parking structure, as suggested in the Master Plan; the exception being the 85 space visitor surface lot near Desmond Drive.

#### **Lacey Campus Parking Strategy**

##### **15% Trip Reduction**

1 stall/200 gsf		1,871
Trip Reduction	15%	281
Visitor Parking	130	130
Existing Parking	0	<u>0</u>
<b>Total Required Spaces</b>		<b>1,720</b>

The Maximum Allowable Construction Cost (MACC) for Option 6 stated in 1999 dollars is \$60,697,000 and the escalated value is \$67,228,000 as detailed in Table VII-3, Lacey Development Cost Summary. In addition, off-site improvements are estimated at \$3,250,000 for development on the Lacey site: this includes an estimated \$3,000,000 of roadway improvements required to extend surrounding roadways.

The estimates for on- and off-site improvements are based on our team's on-site reviews, discussions with the City of Lacey, reviews of the all of the development regulations and proposed Capital Improvement Programs (including transportation improvements) relevant to the proposed site, and our team's experience in comparable development efforts.

The building costs are based on the building definition compiled in the facility Work Session hosted by NBBJ as described in preceding material. The building costs for each major system are provided in Appendix C as well as the C-100 for this option.

In the aggregate, this Option (6) is physically similar and most similar in cost to the Tumwater Option 3 involving all structured parking. The Lacey Option (6) is slightly more costly because of comparatively higher off-site improvement costs and the need for more structured parking stalls on the Lacey campus and therefore higher construction costs for parking structures than in the Tumwater option.

Table VII-3  
**Lacey Development Cost Summary: Option 6**

	<i>Lacey</i>			
	Qty.	Unit	Unit Price	Total
<b><i>Site Area</i></b>	15	ac		
<b><i>Site Preparation</i></b>				
Demolition				
Clearing	550,000	sf	\$0	
Grading/Fill	3,662	cy	\$15	\$54,931
Wetland Mitigation	75,000	sf	\$5	\$375,000
Other Mitigation				
<b>Site Prep Subtotal</b>				<b>\$429,931</b>
<b><i>Site Utilities-On Site</i></b>	allowance			\$500,000
<b><i>Off-Site Improvements</i></b>				
Roadways	1	ls	\$3,000,000	\$3,000,000
Utility Extension	allowance			\$250,000
<b>Off-Site Improvements Subtotal</b>				<b>\$3,250,000</b>
<b><i>Site Improvements</i></b>				
Roads	56,400	sf	\$6	\$338,400
Building Entry Plaza	20,000	sf	\$15	\$300,000
Walkways	15,000	sf	\$6	\$90,000
Surface Parking	30,000	sf	\$5	\$150,000
Landscaping	263,600	sf	\$2	\$527,200
<b>Site Improvements Subtotal</b>				<b>\$1,405,600</b>
<b><i>Buildings</i></b>				
Building Shell & Core	374,107	sf	\$69	\$25,813,383
High rise premium				
Interior Finish Out	374,107	sf	\$50	\$18,705,350
Parking Structures	395,500	sf	\$35	\$13,842,500
	1,130 spaces.			
<b>Buildings Subtotal</b>				<b>\$58,361,233</b>
<b>MACC (excluding off-site)</b>				<b>\$60,696,764</b>
<b>MACC escalated to mid-point of construction</b>				<b>\$67,228,000</b>



## **VIII. Comparison of Development Options**

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## VIII. COMPARISON OF DEVELOPMENT OPTIONS

In order to identify the most appropriate and cost-effective development concept (with the comparison of the procurement methods provided later in this document) the following evaluative criteria were compiled with the project's steering committee:

- Site (physical appropriateness and development hurdles)
- Environmental (sensitive areas and impacts)
- Access (convenience and support of public transportation)
- Design Potential (contextual fit and urban design contribution)

The consultant team and the steering committee's application of the criteria to each of the alternatives is summarized in Table VIII-1.

As indicated, each alternative or option was scored for each criterion on a scale of 1 to 5 with 1 being most desirable and a score of 5 the least desirable. The criteria were weighted equally. In the aggregate, The Capitol Campus Option (with parking under the building) and the Tumwater Option with all of the parking in structures, were identified as the most appropriate sites and physical solutions. In general those two site-specific Options were comparatively better than the other four alternatives because:

- The sites are physically more development-ready and compatible with the State's planning for its needs and therefore more readily acceptable to the surrounding neighbors.
- The potential environmental challenges are less formidable.
- The design potentials and the potential urban design contribution are either approximate or comparatively better than the other options.

The least desirable options: Tumwater (with all surface parking) and the Capitol Campus (with adjacent above ground structured parking) were scored comparatively less desirable in nearly all of the criteria.

In addition to considering physical, environmental, and design criteria, the comparative evaluation also included comparative cost evaluations. The development costs for each of the options (detailed in the preceding material) are summarized in Table VIII-2. A reconciliation of total development costs estimated in this study (for Option 1) with the estimate completed by Legislative Transportation Committee (LTC) staff in a previous analysis is included in Appendix C. Total development costs (1999\$) are approximately 55% higher than the estimates prepared by the LTC. The primary reasons for the increase are (1) an increase in project size of approximately 65,000 gross square feet; (2) and increase in construction cost per square foot of around \$10; (3) increased site development costs for surface parking, infrastructure and mitigation on the Tumwater site, and, (4) the inclusion of financing and construction period interest in the current estimate.

As a test of sensitivity, development costs were estimated for a Transportation Agencies Building that would meet the space requirements of the agencies at 2010 rather than 2020. Such a building would be sized at 344,250 gross square feet, and total development costs (in 1999\$s) would be approximately \$75 million for Option 1, or about \$6 million less than the costs estimated to meet 2020 requirements.

Table VIII-1  
Site and Urban Design Criteria

	<i>rating</i>	<b>Option 1 Tumwater</b> All surface parking	<i>rating</i>	<b>Option 2 Tumwater</b> Surface & structured parking	<i>rating</i>	<b>Option 3 Tumwater</b> All structured parking	<i>rating</i>	<b>Option 4 Capitol Campus</b> Parking under building	<i>rating</i>	<b>Option 5 Capitol Campus</b> Separate parking structure	<i>rating</i>	<b>Option 6 Lacey</b> Structured parking
<b>Site</b>												
Suitable geotech conditions*	2	Ground water	2	Ground water	2	Ground water	1		1		1	
Suitable area for development and future expansion	2		1		1		3	Across street to east	3	Across street to east	3	Across street
No regulatory constraints	2		2		2		1		1		1	
Development consistent with master plan	3	Structured parking in master plan	2		1		1		5	Above surface parking not in master plan	2	
No infrastructure problems*	2		2		2		1		1		1	
<b>Environmental</b>												
Wetland mitigation required*	3		2		1		1		1		2	
Displacement of community assets	5	Mature trees	4	Mature trees	3	Mature trees	2	Park and ride	4	Park, park and ride	4	Mature trees
Ability to accommodate increased traffic*	3		3		3		2		2		4	
<b>Access</b>												
Proximity to capitol campus	3		3		3		1		1		3	
Easy public accessibility/wayfinding	2		2		2		2		2		2	
Encourages mass transit use	3		3		3		2		2		3	
<b>Design Potential</b>												
Compatibility with and responsiveness to surrounding context	4	Further creates sea of parking	3		2		4	Contextual fit will be a challenge	5	Structured parking not consistent with campus	3	
Massing allows for good design	2		2		2		4	Height limit	4	Height limit	3	
<b>Other</b>												
Walking distance to amenities	4	Limited to site trails	4	Limited to site trails	4	Limited to site trails	2		2		2	
Community acceptance	4	Surface parking issue	3		2		4		5	Loss of park for garage	4	
<b>TOTALS</b>	<b>44</b>		<b>38</b>		<b>33</b>		<b>31</b>		<b>39</b>		<b>38</b>	

**Rating System**

Criteria are rated from 1 to 5. A rating of 5 is a “worst case scenario” and a rating of 1 is a “best case scenario.”

The lower the total rating, the better the site meets the criteria and is suitable for the Transportation Agencies Co-location facility.

\*Ratings may change with further study of these issues.

Table VIII-2  
**Development Costs**

	<b>Option 1 - Tumwater</b>		<b>Option 2 – Tumwater</b>		<b>Option 3 – Tumwater</b>	
	<i>All Surface Parking</i>		<i>Blend of Surface &amp; Structured Parking</i>		<i>All Structured Parking</i>	
	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>
<b><i>Development Costs (C-100)</i></b> (Excludes F,F & E)						
Consultant Services	\$ 5,719,000	\$ 5,845,000	\$ 5,961,000	\$ 6,086,000	\$ 6,043,000	\$ 6,166,000
Construction Cost	\$ 61,146,000	\$ 67,726,000	\$ 69,325,000	\$ 76,786,000	\$ 72,703,000	\$ 80,525,000
Other Costs	\$ 13,897,000	\$ 15,336,000	\$ 15,344,000	\$ 16,923,000	\$ 15,942,000	\$ 17,577,000
Total Project Costs	\$ 80,762,000	\$ 88,907,000	\$ 90,630,000	\$ 99,795,000	\$ 94,688,000	\$ 104,268,000
	<b>Option 4 - Olympia</b>		<b>Option 5 – Olympia</b>		<b>Option 6 - Lacey</b>	
	<i>All Structured Parking Below Building</i>		<i>All Structured Parking On Adjacent Site</i>		<i>All Structured Parking</i>	
	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>	<u>1999\$</u>	<u>Escalated \$</u>
<b><i>Development Costs (C-100)</i></b> (Excludes F,F & E)						
Consultant Services	\$ 6,100,000	\$ 6,217,000	\$ 5,722,000	\$ 5,835,000	\$ 5,914,000	\$ 6,034,000
Construction Cost	\$ 79,131,000	\$ 87,645,000	\$ 69,871,000	\$ 77,389,000	\$ 72,174,000	\$ 79,940,000
Other Costs	\$ 15,832,000	\$ 17,411,000	\$ 14,264,000	\$ 15,694,000	\$ 17,374,000	\$ 19,211,000
Total Project Costs	\$ 101,063,000	\$ 111,273,000	\$ 89,857,000	\$ 98,918,000	\$ 95,462,000	\$ 105,185,000

**Note:** See Appendix C: Cost Estimates for C-100s (State Development)

As indicated, the highest total project costs (in escalated \$) include those for the most physically appropriate sites and solutions, the Olympia Option with Structured Parking Below the Building (\$111M) and the Tumwater Option with Structured Parking (\$104M).

Conversely, the least costly options are those for the least physically desirable solutions; The Tumwater Option with Surface Parking (\$89M) and the Olympia Option with Structured Parking on the Adjacent Site (\$99M).

Based on the work completed over the course of this project and the estimated costs and benefits for the six Options, the following observations are possible:

1. Currently the individual agencies that are candidates for the Transportation Agencies Building are distributed across 22 leased office locations yielding significant dysfunctionality and opportunity costs for each agency
2. The proposed Co-located facility will achieve long sought-after adjacencies and efficiencies in a large building that will itself be a major presence in any of the three candidate jurisdictions
3. The State's expressed desire, captured in this analysis, to develop facilities of higher initial quality in the interest of long-term cost-effectiveness, represents a return to the course charted with the Capitol Campus Master Plan as well as the Lacey and Tumwater Campus Master Plans. Those Plans are the basis of the development expectations in each of the jurisdictions that are candidates for the Transportation Agencies Building.
4. Achieving the expressed intentions for quality state facilities and living up to the expectations created by the three Master Plans logically involves developing the Transportation Agencies Building either:
  - on the Olympia Campus (with parking underneath) or
  - on the Tumwater Campus (with all structured parking)
5. Those two solutions are estimated to be \$15-\$21M more costly initially than the difficult-if-not-impossible-to-permit option of building the proposed facility on the Tumwater Campus and surrounding it with surface parking. Based on our experience in compiling the Tumwater Campus Master Plan, neighborhood and municipal concerns will be significant and likely involve significant mitigation's including, perhaps, structured parking akin to the all structured parking solution.
6. State action to implement the proposed building logically would involve:
  - A Pre-design including the requisite functional and space program and additional detailed cost-benefit analyses of the Olympia and Tumwater Options. The full range of Transportation Demand Management Strategies should be defined and evaluated in the Pre-design in order to refine parking demand estimates and to reduce parking requirements and costs to the minimum acceptable level.
  - An Environmental Impact Statement (EIS) with three alternatives Olympia with parking underneath, Tumwater with surface parking, and Tumwater with structured parking.

The following materials provide descriptions and costs and benefits of the alternative procurement methods potentially applied to the Transportation Agencies Building.

**IX.**  
**Alternative Development Strategies and**  
**JLARC Analysis**

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## IX. ALTERNATIVE DEVELOPMENT STRATEGIES & JLARC ANALYSES

The JLARC Model, developed by the State of Washington as part of the Legislative Budget Committee 1995 performance audit “Capital Planning and Budgeting: Study of Leasing Versus Ownership Costs”, was used to undertake the following financial analyses:

- The life cycle costs of the proposed new Transportation Agencies Building were projected and compared to the costs of continuing to lease space in dispersed facilities throughout Thurston County.
- The total development and life cycle costs were estimated and compared for two methods the state has available for procuring and owning the proposed project:
  - The traditional *public works process* whereby the state both develops and owns the building. For purposes of the analysis, it is assumed that the state would use the General Contractor-Construction Manager (GC-CM) method, a form of public works design-build, to undertake development of the proposed project.
  - The *lease development process* whereby a private developer would build the facility, based on specifications provided by the state, and initially lease the building to the state. Provisions in the lease would allow the state the option of purchasing the building after a specified number of years.

The JLARC Model is essentially a financial model for comparing the costs of owning a new facility with the costs of leasing. In order to use the JLARC model to evaluate the life cycle costs of different development strategies (public works versus lease development), several minor modifications to the model were necessary. These changes related primarily to the lease development alternative. For example, modifications were required in the model to incorporate a factor for private developer rate of return in determining annual state costs during the period of leasing. Likewise, changes were needed to properly reflect the sale of the property to the state upon the state’s exercise of the purchase option under the lease development scenario. Finally, modifications were made to the model to allow for the inclusion of construction period interest.

### Key Assumptions

The financial analysis was run for a 35-year period, beginning in 2004. The year 2004 was considered the base year since it would be the first full year of operations for the Transportation Agencies in the new Co-located building.

### *Dispersed Facilities Option (Existing Leases)*

Current information maintained by the Department of General Administration for Transportation Agencies existing leases was used as the basis for estimating costs for continued leasing. The average annual cost (fully serviced) for the approximately 278,000 square feet leased by the candidate agencies is currently \$14.82 per square foot. Based on the expiration dates of the various leases and using an annual escalation rate of 2.5%, the projected average lease rate in the year 2004 base year would be \$17.48. The increment of space required by the agencies above current space requirements was assumed to be leased at current market rates (approximately \$19 fully serviced, or \$22 fully serviced in the year 2004 base year). See Appendix E for detail on the cost of existing leases.

To provide an accurate comparison with the costs of a new Transportation Agencies Building, a cost factor was added to the base lease cost to reflect facility related expenditures, such as tenant improvements, moving, furniture, equipment, telephone, etc. that would be incurred over time by the agency tenants. An analysis was prepared by the Department of Transportation that estimated these costs at approximately \$125,000 for a relocation of 10 persons, or about \$12,500 per FTE. An assumption was made that, on average, 6% of employees would undergo a relocation (move to a new space) each year. This translates into a cycle of approximately 17 years for the replacement of furniture, equipment, finishes, etc. Using the projected employment count at Year 2004 move-in of approximately 1,400 persons for the candidate agencies, this would necessitate relocation of around 84 (1,400 x 6%) persons annually, for a cost of about \$1.1 million (84 persons x \$12,500 per FTE). This amount translates into an annual cost of approximately \$3.50 per square foot based on projected 2004 space requirements. A factor of \$4.03 per square foot has been used in the JLARC analysis, which reflects an estimated 15% increase for the added costs of relocating in existing (rather than new) buildings.

### ***New Transportation Agencies Building***

All six site-specific development options described in Section VII were subjected to financial analysis using the JLARC model. Form C-100s were prepared for each option to estimate the total development costs under both the state developed/owned and private lease development scenarios. Furniture, equipment and related costs were excluded from the C-100s, but incorporated in the JLARC model as costs in the year of acquisition. Completed C-100 forms are located in Appendix C.

The key assumptions used in running the JLARC model for the state developed/owned and lease development scenarios are displayed in Table IX-1. Most of the assumptions are based on information provided by Department of General Administration staff and have been consistently applied in the JLARC analysis in the Transportation Agencies & Department of Health studies. The major similarities and differences in assumptions under the two scenarios are as follow:

***Development Costs:*** Costs for land, building construction, site improvements, and off-site mitigation were assumed to be the same under both the state developed/owned and private lease development scenarios. These costs represent approximately 75% to 80% of total development costs.

Costs for consultant services and construction/project management are assumed to be lower for private lease development compared to a project developed by the state. On the other hand, a privately developed project would include a cost to cover developer overhead and profit, which is not present on a project developed through state government.



Table IX-1  
**JLARC Model Assumptions**  
 (All Amounts are for 2004)

	Unit	State Developed and Owned	Private Lease Development with State Purchase after Year 10
<b>Development Cost Assumptions</b>			
Land Cost	Cost/SF		
▪ Tumwater		\$6	\$6
▪ Olympia		\$15	\$15
▪ Lacey		\$6	\$6
Construction, Site, and Mitigation Costs		(See Section VII)	(See Section VII)
Furniture	Cost/FTE	\$4,000	\$4,000
Telephone/Security	Cost/FTE	\$500	\$500
Data Processing	Cost/FTE	\$500	\$500
Moving Expenses	Cost/FTE	\$340	\$340
Consultant Services (Design and Engineering)	Various	7-9% of Const Costs	6-7% of Const Costs
Construction & Project Management	% of MACC		
Agency		2%	1%
GC-CM Fee		7%	
Developer Project Management			3.5%
Developer Profit	% of Dev Costs		5%
<b>Financing Assumptions</b>			
Percent of Project Costs Financed		100%	80%
Financing Costs		1.75%	1.00%
Interest Rate		6%	8.5%
Loan Period	Years	25	25
<b>Operating and other Annual Cost Assumptions</b>			
Utilities	Annual Cost/SF	\$1.24	\$1.24
Custodial	Annual Cost/SF	\$1.24	\$1.24
Maintenance	Annual Cost/SF	\$1.42	\$1.42
Security	Annual Cost/SF	\$0.62	\$0.62
Property Taxes	Per \$1,000 Val	N/A	\$15.28
Insurance	Annual Cost/SF	\$0.25	\$0.25
Tenant Improvements	Annual Cost/SF	\$1.2375	\$1.2375
Capital Replacement Reserve	Annual Cost/SF	\$1.7573	\$1.7573
Management Fee	Annual Cost/SF	\$0.495	\$0.495
<b>Other Assumptions</b>			
Discount Rate		7%	7%
Developer Return on Equity		N/A	15%
Year Building is Occupied		2004	2004
State Purchase Price upon Exercise of Option		N/A	NOI in Year of Sale Capitalized at 10%
Year that State Exercises Purchase Option		N/A	Year 10
Escalation-Development Costs/Building Value		3.37%	3.37%
Escalation-Land Value		6.00%	6.00%
Escalation-Operating Costs		2.70%	2.70%
Base Rent from Underutilized Space	Rent/SF	\$21.81	\$21.81

**Financing Costs:** Development under the state developed/owned scenario uses tax-exempt financing, resulting in an interest rate that is 2.5% lower than private financing. Public financing necessitates a slightly higher amount for other financing costs.

**Operating Costs:** Operating costs are assumed to be the same under both the state developed/owned and private lease development scenarios, except for property taxes. Property taxes are excluded in all years in which the state owns the building, since the property would not be on the tax rolls. This represents the entire period under state developed/owned scenario, and the years after purchase option is exercised under the private lease development scenario (beginning in 2014).

**Developer Rate of Return:** Under the lease development scenario, it was assumed that the developer would require a 15% return on equity (equity representing 20% of project costs) over the life of project ownership. Lease costs to the state during the period of private ownership have been increased to provide for developer rate of return. The model assumes, under the lease development scenario, that the state would purchase the building after year 10 at a value equal to year 10 net operating income to developer capitalized at a rate of 10%.

**Rent From Underutilized Space:** The proposed Transportation Agencies Building has been sized to accommodate the space requirements of the candidate agencies through the year 2020. As a result, the total square footage in the building when completed in 2004 will exceed the year 2004 space requirements by approximately 50,000 square feet. The total amount of excess space will decline in subsequent years as the agencies grow and would be totally eliminated by 2020. In the years between 2004 and 2020, it is assumed that the excess space can be leased to non-Transportation Agency tenants at current private office market rates.

**Operational Cost Savings:** Operational cost savings from co-locating Transportation Agencies in one building have been estimated in two areas:

- Training and meeting costs- The Transportation Agencies have compiled information on the cost of training and meeting conferences/seminars that is presently incurred through leasing of private facilities in Thurston County. Since the proposed new transportation building would include ample training and meeting space to accommodate these activities, the state would no longer have to incur the outside costs. Total annual cost avoidance for meeting and training is estimated at around \$300,000. Total life cycle costs have been reduced by these cost savings in estimating the total net cost of the proposed new building under all options and scenarios.
- Travel costs-Transportation Agency employees presently spend considerable time travelling between locations for meetings. These costs, which have been conservatively estimated at \$23,000 per year, would not be incurred if the agency functions were co-located in one building. Total life cycle costs have been reduced by these cost savings.

**Annual Escalation Factors and Discount Rate:** All operating costs under both the state developed/owned and the private lease development scenarios are assumed to increase at a rate of 2.7% per year. A discount rate of 7% has been used to translate future year costs and revenues to present year values.

## JLARC Model Results

### *Comparison of Proposed Transportation Building Costs with Dispersed Facilities Option*

Table IX-2 summarizes the total life cycle costs for the proposed new project under Option 1: Tumwater with all Surface Parking (State Owned) and the costs of continuing to lease space in dispersed facilities. Appendix E contains detail of JLARC model results by year for both options.

Total projected facility life cycle costs for the proposed project are estimated at \$126.7 million, as compared to \$121.1 million for the dispersed facilities option (continuation of existing leasing). When the operational savings from reduced outside meeting/training and employee travel costs are considered, the life cycle costs of the proposed project are \$120.2 million, or approximately \$1 million less than the total life cycle costs for the dispersed facility option.

Table IX-2  
**Comparison of Life Cycle Costs  
Dispersed Facility and New Project Options**

	<b>Dispersed Option (Existing Leases)</b>	<b>New Project Option 1</b>
<b>35 Year Facility Life Cycle Costs (NPV)</b>	\$ 121,077,000	\$ 126,733,000
<b>Net Present Value per NSF</b>	\$21.67	\$22.68
<b>Operational Cost Savings (PV)</b>		
Outside Meeting/Training Costs		\$ 6,081,000
Employee Travel Between Facilities		<u>\$ 476,000</u>
<b>Total Operational Cost Savings</b>		\$ 6,557,000
<b>Total Life Cycle Costs Including Operational Cost Savings</b>	<b>\$ 121,077,000</b>	<b>\$ 120,176,000</b>

### ***Comparison of New Project: State Developed/Owned versus Private Lease Development***

The estimated development costs and projected life cycle costs for the proposed new project are summarized in Table IX-3 for Development Options 1 through 4 under both the state owned and lease development scenarios. Appendix E includes the detailed costs for all options and development scenarios.

***Development Costs:*** The total project costs under each option reveal an insignificant difference whether the building is developed by the state or by a private developer. The analysis assumes that hard construction costs, which represent approximately 75% of total project costs (exclusive of land), would be the same whether the project was constructed under state ownership or by a private developer. While soft costs, such as consultant services and construction project management, are assumed to be lower if the project were developed privately, these cost savings are offset by the private developer's requirement for profit, which is not necessitated under state development.

***Life Cycle Costs:*** The present value of life cycle costs over a 35-year period are significantly higher under private lease development—from \$37 to \$45 million more—as compared to the cost of state development and ownership. The substantial cost penalty under private lease development for all options is due to three factors:

- A privately developed/owned project would require financing at private mortgage rates, which are assumed at 2.5% higher than the cost of state financing through tax-exempt bonds or related debt financing.
- Under private ownership, the property would be subject to property taxes which would in turn be passed on to the state tenant through higher lease costs. If the state owns the project, the building would not be on the tax rolls, and thus property taxes would not be required.
- During the period owned by private developer, a rate of return would be required that would not be necessitated on a state-owned project. This return on investment would accrue to the developer through both annual lease costs and profit upon sale to the state when purchase option is exercised.

The State of Washington Legislative Budget Committee's 1995 report "Capital Planning and Budgeting: Study of Leasing Versus Ownership Costs", which provided the framework for the JLARC model, noted that economic analyses should contain all the quantifiable costs to the state and to the public. As examples, the legislative report states that the cost of land and property taxes should be imputed and included as costs, even if the state is not responsible for incurring these costs under a state-owned project.

The JLARC model already has included the cost of land under both the state developed/owned and private lease development scenarios. Sensitivity analysis was undertaken to assess the impact of also including property taxes in the state developed/owned scenario. Inclusion of these costs would add approximately \$20 million in life cycle costs under the state developed/owned scenario under each option. Even with inclusion of these costs, the life cycle costs under the private lease development scenario would be \$17 to \$25 million higher than the costs of a project developed and owned by the state. The remaining difference is due to the impact of higher financing costs as well as the rate of return requirement on private development investment.

Table IX-3  
**JLARC Model Results**

	<b>Option 1 - Tumwater</b>		<b>Option 2 – Tumwater</b>		<b>Option 3 – Tumwater</b>		<b>Option 4 - Olympia</b>	
	<i>All Surface Parking</i>		<i>Blend of Surface &amp; Structured Parking</i>		<i>All Structured Parking</i>		<i>Parking Below Building</i>	
	State	Lease	State	Lease	State	Lease	State	Lease
	<u>Owned</u>	<u>Development</u>	<u>Owned</u>	<u>Development</u>	<u>Owned</u>	<u>Development</u>	<u>Owned</u>	<u>Development</u>
<b>Development Costs (C-100)</b>								
<b>(Escalated \$-Excludes F,F &amp; E)</b>								
Consultant Services	\$ 5,845,000	\$ 4,496,000	\$ 6,086,000	\$ 4,749,000	\$ 6,166,000	\$ 4,842,000	\$ 6,217,000	\$ 4,952,000
Construction Cost	\$ 67,726,000	\$ 67,726,000	\$ 76,786,000	\$ 76,786,000	\$ 80,525,000	\$ 80,525,000	\$ 87,645,000	\$ 87,645,000
Other Costs	\$ 15,336,000	\$ 15,969,000	\$ 16,923,000	\$ 17,696,000	\$ 17,577,000	\$ 18,119,000	\$ 17,411,000	\$ 18,266,000
<b>Total Project Costs</b>	\$ 88,907,000	\$ 88,191,000	\$ 99,795,000	\$ 99,231,000	\$ 104,268,000	\$ 103,486,000	\$ 111,273,000	\$ 110,863,000
Acquisition Cost	\$ 5,489,000	\$ 5,489,000	\$ 5,489,000	\$ 5,489,000	\$ 5,489,000	\$ 5,489,000	\$ 2,614,000	\$ 2,614,000
<b>Total Project Costs( Inc Land)</b>	\$ 94,396,000	\$ 93,680,000	\$ 105,284,000	\$ 104,720,000	\$ 109,757,000	\$ 108,975,000	\$ 113,887,000	\$ 113,477,000
<b>35 Year Life Cycle Costs (NPV)</b>	\$ 126,733,000	\$ 163,596,000	\$ 135,847,000	\$ 177,366,000	\$ 139,589,000	\$ 183,034,000	\$ 144,785,000	\$ 190,122,000
<b>Net Present Value per NSF</b>	\$22.68	\$29.28	\$24.31	\$31.74	\$24.98	\$32.76	\$25.91	\$34.03
<b>Operational Cost Savings (PV)</b>								
Outside Meeting/Training Costs	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000	\$ 6,081,000
Employee Trips Between Facilities	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000
<b>Total Operational Cost Savings</b>	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000	\$ 6,557,000
<b>Total Life Cycle Costs Including Operational Cost Savings</b>	\$ 120,176,000	\$ 157,039,000	\$ 129,290,000	\$ 170,809,000	\$ 133,032,000	\$ 176,477,000	\$ 138,228,000	\$ 183,565,000

## *Conclusions*

The following conclusions can be made from the results of the JLARC model analyses:

- The difference in total life cycle costs between building a new Transportation Agencies facility and continuing to lease space in dispersed facilities is insignificant, when both options are considered in similar physical arrangements (all surface parking). Given the significant qualitative benefits to co-location, which are discussed in Section II, as well as the substantial improvement in the quality of space afforded by a new building, the construction of a new Transportation Agencies Building is an appropriate and cost-effective option for the State of Washington.
- State development and ownership (public works) is the most appropriate and cost-effective method for procuring and operating the proposed Transportation Agencies Building in each of the six development options.

## X. Appendix

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## **APPENDIX**

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### **A AGENCY RELATIONSHIPS AND ADJACENCIES**

- Space Needs within New Facility

### **B MARKET CONTEXT**

### **C COST ESTIMATES**

- Building Cost Estimate by Major System
- State Development – C100s
  - Option 1 – Tumwater: All Surface Parking
  - Option 2 – Tumwater: Blend of Surface and Structured Parking
  - Option 3 – Tumwater: All Structured Parking
  - Option 4 – Olympia: All Structured Parking Below Building
  - Option 5 – Olympia: All Structured Parking on Adjacent Site
  - Option 6 – Lacey: All Structured Parking
- Private Development – C100s
  - Option 1 – Tumwater: All Surface Parking
  - Option 2 – Tumwater: Blend of Surface and Structured Parking
  - Option 3 – Tumwater: All Structured Parking
  - Option 4 – Olympia: All Structured Parking Below Building
  - Option 5 – Olympia: All Structured Parking on Adjacent Site
  - Option 6 – Lacey: All Structured Parking
- Reconciliation of Estimates with LTC Staff Cost Estimates

### **D ESTIMATED COST OF EXISTING LEASES**

### **E DEVELOPMENT AND LIFE CYCLE COSTS FOR ALL OPTIONS**

- JLARC Model Results for Continued Leasing & Option 1
- Development and Life Cycle Costs or New Project Options:  
State-Owned and Lease Development Scenarios



## Appendix A

### Agency Relationships and Adjacencies

<b><u>Study Agency</u></b>	<b><u>Other State Agencies</u></b>	<b><u>Location</u></b>
<b>Department of Transportation</b>	Labor & Industries Department of Ecology Capitol Campus Agencies Sub Offices – Division Heads	Tumwater Campus Lacey Campus Capitol Campus Various
<b>Department of Licensing</b>	Labor & Industries Department of Revenue Employment Security Liquor Control Board	Tumwater Campus  Capitol Campus
<b>Washington State Patrol</b>	Governors Office Other Agencies	Capitol Campus
<b>Traffic Safety Commission</b>	Governors Office Legislature	Capitol Campus
<b>Transportation Improvement Board</b>		
<b>County Road Administration Board</b>		

The specific agencies were asked (via survey) to list those other state agencies with whom they have a strong working relationship. The results are summarized as follows.

	<u>Agency</u>	<u>Location</u>
<b><u>Department of Transportation</u></b>		
Bridge & Structures	EESC	Transportation Building - Olympia
Computer Aided Engineering (CAE)	EESC	Transportation Building - Olympia
Environmental Affairs	EESC	Transportation Building - Olympia
	Department of Ecology	Lacey Campus
Consulting Services	EESC	Transportation Building - Olympia
	Attorney General Office	Olympia
Traffic Operation	DOL Headquarters	Olympia
	DOT Headquarters	Olympia
Risk Management	Olympia Service Center	Olympia
<b><u>Department of Licensing</u></b>		
<b><u>Washington State Patrol</u></b>		
	Governors Office	Olympia
	DOL – Drivers/Vehicle License	Transportation Building
	DOT – Program Management	Transportation Building
	DOT – Capital Programs	Transportation Building
	DOT – Traffic Operations	Transportation Building
<b><u>Transportation Safety Commission</u></b>		
	DOT – Data division, Traffic Engineer, PIO Office	Transportation Building, Olympia
	DOL – Data division, Driver Services, Hearings	?????
	DOH – Data Division	?????
	Governors Office	Olympia
<b><u>Transportation Improvement Board</u></b>		
	DOT – Highways & Local Programs	Transportation Building, Olympia
<b><u>County Road Administration Board</u></b>		

The interagency adjacencies within the new facility are preliminarily identified in the following material. The pre-design for the proposed facility together with other development needs for reception and parking will define in detail, the strength of the affinities and the nature and frequency of interagency collaboration and therefore the nature of the needed spatial adjacencies.

<u>Agency/Department</u>		<u>Public Reception</u>	<u>Short Term Parking</u>	<u>Other</u>
<b><u>Department of Transportation</u></b>				
Bridge & Structures				
Computer Aided Engineering (CAE)				
Environmental Affairs				
Consulting Services			25	
Traffic Operations	Traffic Safety Commission	Yes	5	
	WSP - Field Operations			
	DOL - Vehicle Services			
Radio Operations			2	
Motor Carrier Services	WSP Commercial Vehicle Div.	Yes	2	
	DOL Prorate & Fuel Tax			
Admin. Facility Planner				
MIS - IT Infrastructure Services		Yes	10	
Management Information Systems		Yes	42	
Risk Management			2	
Purchasing & Inventory		Yes	5	
Transportation Economic Partnerships	Easy, visible public access	Yes	6	

<u>Agency/Department</u>	<u>Public Reception</u>	<u>Short Term Parking</u>	<u>Other</u>
<b><u>Department of Licensing</u></b>			
Directors Office - Employee Services	Yes	2	On 1st floor close to reception
Admin. Services - Accounting Services			Mailroom
Administrative Services - Office Services			Basement or 1st Floor
Telecommunications			
Vehicle Services - Prorate & Fuel Tax Administration		5	
Audit Section	Yes		
Motor Carrier/Fuel Tax	Yes		
Office Support			
Investigations/Appeals/Compliance	Yes		
Business & Professions		20	All sections will utilize public counter
Assistant Director/Legal/tech Support	Yes		
Arch./Land Arch./Collection & Employ.	Yes		
Business & Occupations	Yes		
Engineers & Land Surveyors	Yes		
UCC/Funeral Dir. Cemetery/Notaries	Yes		
Real Estate Appraisers	Yes		
Firearms, etc.	Yes		
MLS	Yes		
New Programs	Yes		
Information Services		5	Near Loading Dock
Assistant Directors Office	Yes		
Manager - Administrative Services			
Manager - Vehicle Services			
Manager – Business & Professions			
Manager - IT Services			
Burroughs Room (File Servers)			

WSP

Near loading dock,  
special storage

<u>Agency/Department</u>	<u>Public Reception</u>	<u>Short Term Parking</u>	<u>Other</u>
<b><u>Washington State Patrol</u></b>			
Office of the Chief	Yes		
Field Operations			
Technical Services Bureau			
Investigative Services Bureau			
Forensic Services Bureau			
Administrative Services Division			
Office of Professional Standards			
Human Resources Division	Yes	10	
Budget And Fiscal Division	Yes		
Fire Protection Bureau		5	
Commercial Vehicle Enforcement Division			
Comminations Division	Yes		
Criminal Records Division		10	
Traffic Investigation Division	Yes		
Investigative Assistance Division			
Information Technology Division			
Crime Laboratory Division			
Capital Security			
Photo Lab			
Thurston County Detachment			
<b>Transportation Safety Commission</b>	WSP Data Div., Field Operations, PIO/Communication	Yes	5
<b>Transportation Improvement Board</b>	CRAB	Yes	2
<b>County Road Administration Board</b>		Yes	10

Horizontal tables

## Horizontal Tables



## Horizontal Tables

## Appendix B

### Market Context

## **MARKET CONTEXT**

### **A. Introduction**

A development strategy has three inter-related components:

- the facility delivery method
- financing mechanism
- ownership

In general terms the facility delivery methods are public works (State) or private development with either accomplished via the design-bid-build or design-build. The State's General Contractor-Construction Manager (GCCM) mechanism is a form of public works design-build.

The State's array of development strategies are defined and contrasted in State of Washington Development Strategies for State Office Development, March 1994 as follows:

- public works, financed by general obligation bonds
- public works, financed by Certificates of Participation
- privately developed/financed, sold to the state upon completion (Turnkey)
- privately developed/financed, leased to the state with option to purchase (Lease Development)

### **B. Lease Development Methods/Requirements**

State actions to lease space for its needs are accomplished in accordance with Leased Space Requirements, Washington State Department of General Administration, Division of Real Estate Services Group.

In accordance with those requirements, the State, via public advertisements, requests proposals for finite amounts of space it seeks to lease with required occupancy dates. Prospective landlords then propose both physical descriptions and lease terms and conditions as part of the prescribed competitive process. The State's requirements and the competitive processes involved have evolved in significant detail over the years largely because of the significant amount of space procured by the State via its lease development programs.

### **C. Existing State Office Leaseholds in the Capital Community**

The state's public works and lease-development efforts are significant in Thurston County. Presently the state occupies approximately 6.9 million square feet of space in the county. Of this total, 3.7 million square feet is leased and 3.2 million is owned by the state with the following distribution across the three cities.

Table B-1  
**State-Owned and Leased Space in Thurston County**

	<u>Leased</u>	<u>Owned</u>	<u>Total</u>
Olympia	2,030,500	2,511,200	4,541,700
Lacey	1,011,000	322,700	1,033,700
Tumwater	<u>668,000</u>	<u>412,400</u>	<u>1,080,400</u>
	3,709,500	3,246,300	6,955,800

Source: State of Washington Department of General Administration, NBBJ

Of the nearly 7 million square feet of space occupied by the state, 5.9 million is office space. The agencies that would be accommodated in the Co-located Transportation Building are currently in space leased from the private sector and “leased” space in the General Administration Building. Those leases, minus General Administration space, total approximately 246,000 square feet, about 3.5% of the three-city total of state-leased space.

#### **D. Current Office Market Conditions in the Capital Community**

While statistics on office market absorption, vacancy rates and rents are not compiled by any one source for Thurston County, a review of state office data and discussions with local real estate professionals does provide a fairly comprehensive picture of current market conditions and significant planned projects, many of which are in construction.

The current overall vacancy rate in the county is around 5%. The vacancy rate in newer mid-rise building is nearer to zero except for buildings looking to fill space recently vacated by firms relocating to the newest building. Rents for high quality office space range from approximately \$15.75-\$21.00 annually per square foot (fully serviced) for non-state tenants, while the state generally pays \$12-\$16 for leased space. Although non-state office space using employment has risen sharply during the past five years, most of the space needs have been accommodated in existing facilities where space was vacated by state tenants who relocated into the new state-owned buildings—Labor and Industries, Natural Resources, and Ecology. Those three state buildings represent 1.1 million square feet of new state space office brought on line during the three-year period 1991-1993. Some of this new space was needed to accommodate state employment growth that was still quite vibrant in the late 1980’s and early 1990’s, but the majority of the newly constructed space was occupied by state tenants moving from leased facilities. The then-new state-owned facilities were developed as a result of a policy decision on the part of state government that considered the comparative costs of owning rather than leasing space, together with the desire to consolidate agency functions that had been widely dispersed in leased facilities.

The reasoning for the Co-located Transportation Building is distinctly similar; comparative costs and consolidation. The impact on the county office market resulting from the multi-agency state tenants leaving leased space, and relocating to a Co-located Transportation Building would be an increase in the overall vacancy rate from approximately 5% to 12% based on the current finished supply of office space in the market.

However, there is a significant amount of speculative and lease development space under construction as shown in the following table.

Table B-2  
**Planned Office Projects**

<u><b>Project</b></u>	<u><b>Developer</b></u>	<u><b>City</b></u>	<u><b>Sq.Ft. (000's)</b></u>
Point Plaza Expansion	Vine Street Investments	Tumwater	50
Point Plaza East	Vine Street Investments	Tumwater	250*
Bristol Court	Drebick Investment	Olympia	55
Unnamed	Capital Development Co.	Lacey	50
Unnamed	Ali Raad	Olympia	<u>38</u>

443

\* Reported to be 5 buildings at 50,000 sq.ft. each and logically phased in development.  
Sources: NBBJ, City of Tumwater, and area real estate brokers.

The overwhelming majority of this development is new in construction over the last 12 months and responds to an- effectively full office occupancy in the current market. The developers undertaking the projects are in the main, among the major South Sound development enterprises as summarized in the August 22, 1999 Olympian:

- Vine Street Investments is reported to have some 26 leases totaling in excess of 750,000 square feet in the market.
- Drebick Investments is reported to have 7 leases and more than 120,000 square feet and all of it is in Olympia.
- Capital Development Company is a subsidiary of Rainier General, Inc. and holds 18 leases county-wide with approximately 375,000 square feet of office space, most of which is in Lacey.

The resultant impact of the Co-located Transportation Agencies facility on the future office market is indeterminate because of the interplay of private office space that would be vacated together with the expanding supply evidenced by the projects under construction and those that are apparently being planned. Many of those projects are reportedly to be occupied by state agencies via the Lease-development protocol.

Achieving a Co-located Transportation Building within the existing lease space available is currently impossible since no single facility of the size preliminarily identified is available. The Point Plaza East, if developed to the size identified, would have the most significant capacity but would not meet the needs of the Co-located Transportation Building as identified to date.

The multiple office developments in construction, if not leased by the State will meet the non-state market needs for many years based on recent experience. Non-State office absorption in the multi-tenant higher quality buildings in Olympia is estimated by brokers in the area to be approximately 20,000 square feet per year.

Representative office buildings in Thurston County are displayed below. Vacant space is scarce in these buildings, which is indicative of the immediate current market as a whole. The data also illustrate the lower rents paid by the state in some cases as compared to private office tenant throughout Thurston County. While state tenants dominate the office markets in all three jurisdictions, these cities have mid-rise office facilities that accommodate private tenants.

Table B-3  
**Representative Office Buildings in  
Lacey, Tumwater, and Olympia**

<u>Name</u>	<u>Location</u>	<u>Total SF</u>	<u>Annual Rent (\$/SF)</u>	<u>Major Tenants</u>
Woodland Square	Lacey	210,000	11-12	State, Private, Prof
Point Plaza	Tumwater	103,000		State
Percival Landing	Olympia	28,000	15-17	Private, Prof
Market Plaza	Olympia	48,000	20-21	Private, Prof
Evergreen Plaza	Olympia	60,000	12-17	Private, Prof
Mariner View	Olympia	20,000	11-12	State
Town Square	Olympia	250,000	11-14	State
Eastside Plaza	Olympia	130,000	10	State
Bristol Court	Olympia	20,000	12	State

*Source: Property Counselors*

It is within this context of available development strategies and office market demands and prevailing lease terms and conditions that the following development alternatives are defined.

## Appendix C

### Cost Estimates

## **Building Cost Estimate by Major System**



The cost estimate on the following page was the source for building unit costs used to estimate facility costs for the six development options.

The build-up of costs by major building system is based on the precepts and standards developed during the study effort for the prototypical 21<sup>st</sup> century building, as described in Section V of the report.

## Shell and Core Comparison

Tenant Buildout Table

## State Development

24 pages of C100s

**Private Development**

24 pages of C100s

**Reconciliation of Estimates with  
LTC Staff Cost Estimates**



Horizontal Table

Development Cost Estimate and Reconciliation to LTC Estimate: Tumwater All-Surface Parking



**Appendix D**  
**Estimated Cost of Existing Leases**

Horizontal Table  
Estimated Costs of Existing Leases

Horizontal Table  
Estimated Costs of Existing Leases



**Appendix E**  
**Development and Life Cycle Costs for All Options**

**JLARC Model Results  
for Continued Leasing & Option 1**



Horizontal Table  
JLARC Model Results

Horizontal Table  
JLARC Model Results

**Development and Life Cycle Costs or New Project Options:  
State-Owned and Lease Development Scenarios**

Horizontal Table  
Development Lease and Life Cycle Costs  
New Project Options (State-Owned)

Horizontal Table  
Development Lease and Life Cycle Costs  
New Project Options (Lease Development)

